

Central Whidbey Island Fire-Rescue



2021 Adopted District Budget

Professionalism • Integrity • Compassion • Excellence

The Government Finance Officers Association of the United States and Canada (GFOA) presented a seventh consecutive Distinguished Budget Presentation Award to Central Whidbey Island Fire & Rescue for its annual budget for the fiscal year beginning January 1, 2020. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for one year only.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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PRESENTED TO

**Central Whidbey Island Fire & Rescue
Washington**

For the Fiscal Year Beginning

January 1, 2020



Executive Director

CWIFR's 2021 budget conforms to GFOA distinguished budget presentation award guidelines and the district will submit the adopted budget for review by the GFOA for the Distinguished Budget Presentation Award.

2021 Adopted Budget

Prepared for the citizens of our district and the Central Whidbey Island Fire & Rescue board of fire commissioners:

- Board Chairperson Cheryl Engle
- Commissioner Paul Messner
- Commissioner Steve Hutchinson

District Staff:

- Fire Chief Ed Hartin, MS, EFO, FIFireE, CFO
- Deputy Chief Charlie Smith
- Finance Officer Cathy Niiro
- Captain/EMT Jerry Helm, FO, recruitment and training division manager
- Lieutenant/EMT Jen Porter, community risk reduction division manager
- Lieutenant/EMT James Meek, operations division manager
- Lieutenant/EMT Derik Vrable, facilities maintenance division manager
- Firefighter/Mechanic Mike Matros, fleet maintenance division manager
- Firefighter/EMT Alex Majestic
- Firefighter/EMT Jim Huff
- Firefighter/EMT Jeffery Rhodes
- Firefighter/EMT John Lloyd
- Firefighter/EMT Kolton Kellison

Editorial Review

Linda Sue Hartin

Citizen Review

- Chris Geiger, EMPA, EFO
- Susan Geiger, BSBA

The 2020 Central Whidbey Island Fire & Rescue Budget was adopted by the board of fire commissioners on November 12, 2020.

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Readers' Guide to the Budget

This guide is intended to aid understanding the format of this document and information presented in the budget. The [2021 Budget in Brief](#) and [2021 Adopted Budget](#) may be downloaded in portable document format (PDF) from the district's website (www.cwfire.org).

Purposes of the Budget

The district budget document serves two purposes. The first is to provide our community and the board of fire commissioners with a clear picture of the services provided by Central Whidbey Island Fire & Rescue (CWIFR), the cost of those services, and the policies underlying the district's financial decisions. The second purpose of the budget document is to provide the district's management with a financial and operating plan that complies with regulatory requirements for fire districts in the state of Washington and exemplifies best practices in budgeting and financial reporting.

Organization of the Budget Document

CWIFR's budget is divided into the following sections:

Table of Contents

A hyperlinked table of contents is provided to simplify navigation to the related sections of the budget.

Readers' Guide to the Budget

The readers' guide provides an overview of the budget document and its organization.

Budget Message

The budget message is an introduction to the budget and identifies important fiscal issues from the perspective of the fire chief and finance officer.

Budget Summary

This section of the budget document provides high-level view of the district budget at the fund level and examines changes in fund balance. The summary provides data on revenue and expenditures in 2019, budgeted revenue and expenses for 2020, and the adopted budget for 2021 inclusive of both revenue and expenses.

District Overview

This section of the budget document provides an overview of the district including governance; values, mission, and vision for the future; services provided; boundaries, organization and staffing; and an overview of the district's strategic plan.

Integrated Comprehensive Planning

The district budget is closely coupled to the *CWIFR Integrated Comprehensive Plan* which includes *Volume 1-Community Risk Assessment* (CWIFR, under development), *Volume 2-Strategic Plan* (CWIFR, 2016) *Volume 3-Standard of Coverage and Community Risk Reduction Plan* (CWIFR, under development), *Volume 4-Fire and Emergency Services Self Assessment Manual* (CWIFR, under development), *Volume 5-Long Term Financial Plan* (CWIFR, 2020a), and *Volume 6-Capital Projects Plan* (CWIFR, 2020b). The

relationship between these plans ensures that the budget is consistent with the district's policies, long-term goals, and priorities. Hyperlinks are provided in this section for download of each volume of the integrated comprehensive plan in portable document format (PDF).

Budget Process

The Budget Process section of this document provides an outline of methods used to develop the district's budget, financial assumptions used in budget development and long-term financial planning, organization and structure of the budget, and the basis of budgeting and accounting.

Financial Assumptions Used in the Budget Process

Budgets are based on assumptions about revenue and expense. This section of the budget document outlines the assumptions underlying development of the district's 2021 Adopted budget. Additional detail and supporting documentation are provided in the district's long-term financial plan which is summarized in Appendix C.

Revenue

This section of the budget examines the district's revenue streams and revenue trends over a three-year period. A long-term view on revenue is provided in the district's long-term financial plan which is summarized in Appendix C.

General Fund

This section of the budget document provides an overview of the general fund and specific information on each division including a description of programs and responsibilities, performance measures, division budget, major expenditures, and the strategic goals and initiatives that will be addressed in 2021. In addition, this section of the budget document provides an overview of the general fund contingency line and detail of transfers in the preceding two years.

Capital Projects Fund

This section of the budget provides an overview of the capital projects fund, a schedule of capital projects, and current year capital projects justification. Download the [complete *Integrated Comprehensive Plan Volume 6-Capital Projects Plan*](#) (CWIFR 2020b) in portable document format (PDF).

Bond Fund

The bond fund section of the budget delineates the revenue and expenses related to the unlimited tax general obligation (UTGO) bond approved by the voters in November 2017 for renovation and expansion of Station 53 and purchase of three type one (structural) fire engines.

Debt Service Fund

The debt services fund budget section of the document outlines fund transfers and debt service payments based on the district's UTGO bond.

Compensated Absences Fund

This section of the budget defines the district's liabilities for compensated absences and provides an overview of the Compensated Absences Fund.

Grants Management Fund

The grants management fund budget delineates revenue and expenditures related to grant funded programs and activities.

References

The reference section documents the source material cited in the budget document.

Budget Adoption

Copies of the district's levy certification, tax increase resolution, and budget adoption resolutions will be included in Appendix A following budget adoption in November 2020.

Financial Policies

Appendix B provides a consolidated view of the district's financial policies.

Long Term Financial Plan

A summary of the district's long-term financial plan is provided in Appendix C. Download the complete [*Integrated Comprehensive Plan Volume 5-Long Term Financial Plan*](#) (CWIFR, 2020a) in portable document format (PDF).

Glossary of Terms

A glossary of terms is provided in Appendix D.

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Budget Message

From the Fire Chief

Thank you for supporting Central Whidbey Island Fire & Rescue (CWIFR)! The district provides fire and rescue services and partners with WhidbeyHealth Emergency Medical Services (EMS) in delivery of emergency medical care. We provide service to 8,600 residents plus the many visitors to Central Whidbey which stretches between Libbey Road and Mutiny Bay Road. The district is transparent and fiscally responsible, operates with a balanced budget, has passed all financial and accountability audits, and maintains a AAA bond rating from Standard and Poor's. CWIFR has also received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for seven consecutive years.

The 2021 Adopted district budget increases general fund expenditures by 3.65% in part due to increased staffing. One additional full-time firefighter was added mid-year in 2020 and the district's part-time office assistant position was reclassified to administrative assistant/fiscal specialist and hours of work increased from 20 hours per week to 30 hours per week. In addition, the budget reflects an increase in overtime expense related to state and interstate all hazards mobilization and wildland firefighting support. Expense related to mobilization is fully reimbursed by the State of Washington or in the case of interstate mobilization by the state requesting aid and generates additional revenue for use of district apparatus.

The district anticipates a 5.86% increase in AV (Island County Assessor, 2020) which will lower the general levy rate to \$1.09/\$1,000 and the bond levy rate to \$0.18/\$1,000. The actual increase in AV and levy rates will not be determined by the assessor's office until after January 1, 2021.

Challenges

Central Whidbey Island Fire & Rescue faces several operational and fiscal challenges:

- The district continues to see an substantial increase in demand for service delivery, experiencing a 44.70% increase in emergency calls in the past 10 years (2010-2019).
- Volunteer staffing has been relatively stable since 2016, but CWIFR continues to face an uphill battle to ensure adequate volunteer staffing, particularly in Coupeville and Greenbank. Limited volunteer and off-duty response by full- and part-time members to emergency incidents presents a significant operational challenge at incidents requiring a significant number of personnel such as structure fires.
- Part-time staffing was reduced concurrent with an increase in full-time staffing. However, turnover among part-time staff and required training time to qualify part-time firefighters as apparatus operators continues to present a challenge (CWIFR, 2019a).
- The district's interlocal agreement with the Whidbey Island Public Hospital District (dba WhidbeyHealth) expires on December 31, 2020. Given the fiscal challenges faced by WhidbeyHealth due to the COVID-19 pandemic, the district and the hospital have tentatively

agreed to extend this agreement under the current terms and conditions (with no increase in revenue to offset increased personnel cost).

- Washington State's 1% constitutional limitation on increases in property tax revenue continues to challenge the district in keeping pace with increased demand for service as expenses rise faster than tax revenue.

Progress

The district continues to make progress in improving our capability to provide service to the community in a fiscally prudent manner. Areas of improvement will include:

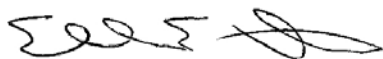
- In 2020 the district awarded a bid for construction of three type one (structural) fire engines to Rosenbauer America. Purchase of these three apparatus was funded by the unlimited tax general obligation (UTGO) bond approved by the voters in 2017. Delivery is anticipated in the second quarter of 2021.
- Slow progress is being made on construction of the replacement Station 53. Island County permitting requirements have delayed the start of construction, with the current schedule to break ground in April 2021 with completion of construction in April 2022.
- As our nation and region continues to see the impact of climate change on wildfire threat, the district has significantly improved our wildland fire response capability. In 2020, the district took delivery of two type five (wildland) engines and increased the number of staff certified as wildland firefighters. In addition, the district entered interlocal agreements with the Washington State Patrol (fire marshal's office) and Washington Department of Natural Resources (DNR) for all hazards state mobilization and wildland fire response. Deployment under these agreements has substantially increased member experience in wildland firefighting, large incident operations, and has provided a substantial revenue stream to the district.

Fiscal Sustainability

The district entered a negative cash flow in 2020 (revenue less than expense). This was anticipated and the district has a sufficient balance in the general fund to continue current service levels through 2028. The 2018 long term financial plan anticipated that the district would experience negative cash flow starting in 2019 and would have a sufficient general fund balance to continue current service levels through 2026. Increases in revenue and prudent fiscal management delayed entering negative cash flow and extended the timeframe over which current service levels can be maintained. The district's long-term financial plan is being updated concurrent with the 2021 budget. Updates to this plan are provided in Appendix C of this budget document.

CWIFR welcomes feedback on our budget document. Please contact me via e-mail (ehartin@cwfire.org), telephone (360) 678-3602, or stop by our headquarters station at 1164 Race Road.

Sincerely,



Chief Ed Hartin, MS, EFO, FIFireE, CFO

From the Finance Officer

The 2021 adopted district budget is submitted in accordance with the requirements of *Revised Code of Washington (RCW) 52.16.030* and district policies as specified in the *Board of Fire Commissioners Policy Manual (CWIFR, 2018a)* and *Standard Operating Guideline 1.3.1 Budget (CWIFR, 2017c)*.

Audit

As with all municipal entities in Washington State, Central Whidbey Island Fire & Rescue (CWIFR) is regularly audited by the Washington state auditor's office. Based on Washington state auditor's policy, municipal entities that exceed \$2,000,000 in revenue must receive regularly scheduled financial and accountability audits.

In 2019 the Washington state auditor's office (SAO) completed a financial and accountability audit of financial reports and records for 2017 and 2018 with no adverse findings, management letters, or recommendations. The auditor rendered an adverse opinion on fair presentation regarding generally acceptable accounting principles (GAAP). This opinion resulted from the district's preparation of financial statements using the cash basis of accounting permitted by Washington state statutes, and the *State Auditor's Budgeting, Accounting and Reporting System (BARS) Manual (2015)*. Cash basis accounting is considered an other comprehensive basis of accounting (OCBA). The effects on the financial statements of the variances between GAAP and cash basis accounting, although not reasonably determinable, were presumed to be material (SAO, 2019a, 2019b).

Interestingly, while cash basis accounting is permitted by state law, all financial audits conducted by the Washington state auditor's office are performed in accordance with generally accepted government auditing standards (GAGAS), published by the United States Government Accountability Office (GAO). These standards fully incorporate *Generally Accepted Auditing Standards (GAAS)* published by the American Institute of Certified Public Accountants (AICPA) (SAO, n.d.). As a result, any local government using cash basis accounting, as permitted by state law and the state auditor's office, receives an adverse opinion on their financial statements (as they do not comply with GAAP). This means that the financial statements do not fairly present financial position, results of operations and (when applicable) cash flows in conformity with generally accepted accounting principles (GAAP). However, they may be fully compliant and accurate with the requirements set forth in the BARS manual for cash basis accounting.

Financial Reporting

All local governments, including fire districts, must file an annual financial report with the state auditor in accordance with *Revised Code of Washington (RCW) 43.09.230*. Central Whidbey Island Fire & Rescue's annual financial reports are accessible from the district's website (<http://www.cwfire.org/finance/financial-audit-reports>) or through the state auditor's Local Government Finance Reporting System (LGFRS). (See Island County Fire Protection District 5 <http://portal.sao.wa.gov/LGCS/Reports/>).

At the highest level, the district's finances are organized by fund. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Each of the district's funds serves a specific financial purpose and has a separate budget. For example, the general fund receives most types of revenue and is used for

maintenance and operations while the capital projects fund is used specifically for capital projects. Funds are discussed in detail in the budget process section of this document.

The district uses fund accounting to provide a higher level of transparency and accountability (the structure and purpose of the district’s funds is described in Overview of budget structure later in this budget document). One function of the Washington State Auditor’s budgeting and reporting system (BARS) is to allow comparison of financial data across similar municipal entities (who may or may not have the same fund structure). As such financial reporting is required to be submitted in a simplified format not fully inclusive of fund structure, with funds established to aid in management functions are combined within the general fund as illustrated in Table 1.

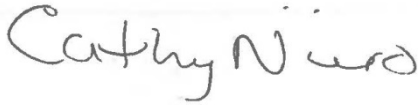
Table 1. Fund Reporting

| CWIFR’s Fund Structure | As Reported to the Washington State Auditor |
|---|---|
| General Fund (Inclusive of Contingency) | General Fund |
| Compensated Absences Fund | |
| Grant Management Fund | |
| Capital Projects Fund | Capital Projects Fund |
| Bond Fund | Bond Fund |
| Debt Service Fund | Debt Service Fund |

Bond Rating

In 2020, the district maintained its AAA bond rating grade based on: 1) Demonstrated track record of very strong fund balances in the general fund; 2) Strength of the local economy; 3) Growth in assessed value; 4) Financial management practices and policies; and 5) Experienced management in operating the district in an efficient manner.

Sincerely,



Finance Officer Cathy Niiro

Budget Summary

This summary provides an overview of CWIFR’s annual budget and financial position in an easy to understand and simplified format. In addition to inclusion in the budget document, the summary is distributed to district residents in the district’s newsletter. In addition, the [budget summary](#) is available for download in portable document format (PDF) from the budget page on the district website.

Budget by Fund and Fiscal Performance Measures

Table 2 provides a summary of actual district revenues and expenditures in 2019, 2020 adjusted budget, and 2021 Adopted budget. Detail is provided in the fund specific sections of this budget document.

Table 2. 2021 Cash Basis Financial Summary

| General Fund | Actual 2019 | Adjusted 2020 | Adopted 2021 |
|--|----------------|------------------|-----------------|
| Beginning General Fund Balance | \$2,934,596 | \$3,210,775 | \$3,161,433 |
| Contingency (Administrative) Fund (10% of M&O) | \$230,532 | \$235,886 | \$272,800 |
| Beginning GF Balance (Less Contingency) | \$2,704,064 | \$2,974,890 | \$2,888,634 |
| Revenue | | | |
| Taxes | \$2,335,038 | \$2,405,684 | \$2,455,509 |
| State Generated Revenue | \$7,641 | \$14,476 | \$8,000 |
| Charges for Service | \$238,907 | \$363,000 | \$323,000 |
| Miscellaneous Revenue | \$80,634 | \$44,773 | \$47,823 |
| Other Revenue | \$10,107 | \$2,500 | \$2,500 |
| Total Operating Revenues | \$2,672,328 | \$2,830,433 | \$2,836,832 |
| Expenditures | | | |
| Regular Budgeted Expenditures (M&O General Fund) | \$2,167,925 | \$2,631,964 | \$2,727,995 |
| Contingency Expenditures | \$0 | \$0 | \$0 |
| Total Expenditures | \$2,167,925 | \$2,631,964 | \$2,727,995 |
| Non-Expenditures | | | |
| Total Non-Expenditures | \$10,744 | \$2,000 | \$2,000 |
| Net Interfund Transfers | | | |
| To/From General Capital Projects Fund | \$205,119 | \$210,331 | \$241,216 |
| To/From Compensated Absences Fund | \$12,360 | \$28,016 | \$31,837 |
| To/From Grants Management Fund | \$0 | \$7,464 | \$0 |
| Total Net Transfers To/From General Fund | \$217,479 | \$245,811 | \$273,053 |
| Ending General Fund Balance | | | |
| Contingency (Administrative) Fund Ending Balance | \$230,532 | \$235,886 | \$272,800 |
| Ending GF Balance (Less Contingency) | \$2,980,243 | \$2,925,548 | \$2,722,417 |
| Total Ending General Fund Balance | \$3,210,775 | \$3,161,433 | \$2,995,217 |

Table 2. 2021 Cash Basis Financial Summary (Continued)

| Capital Projects Fund | Actual 2019 | Adjusted 2020 | Adopted 2021 |
|--|------------------------|--------------------------|-------------------------|
| Beginning Capital Projects Fund Balance | \$1,664,994 | \$1,775,053 | \$1,424,885 |
| Revenue | | | |
| Miscellaneous Revenue (Investment Interest) | \$21,514 | \$17,891 | \$17,099 |
| Net Interfund Transfers | | | |
| To/From General Fund | \$241,216 | \$241,216 | \$241,216 |
| Expenditures | | | |
| Investment Fee | \$896 | \$745 | \$712 |
| Vouchers (Capital Projects Fund) | \$316,515 | \$340,306 | \$316,515 |
| Ending Capital Projects Fund Balance | \$1,775,053 | \$1,424,885 | \$1,365,972 |
| Bond Fund | | | |
| Beginning Bond Fund Balance | \$7,457,820 | \$7,504,014 | \$6,728,981 |
| Revenue | | | |
| Taxes-Bond Levy | \$408,389 | \$385,300 | \$401,250 |
| Miscellaneous Revenue (Investment Interest) | \$142,270 | \$108,532 | \$100,935 |
| Net Interfund Transfers | | | |
| To/From Debt Service Fund | \$372,700 | \$385,300 | \$401,250 |
| Expenditures | | | |
| Investment Fee | \$100 | \$3,000 | \$3,364 |
| Vouchers (Bond Fund) | \$131,665 | \$880,565 | \$5,017,902 |
| Ending Bond Fund Balance | \$7,504,014 | \$6,728,981 | \$1,808,650 |
| Debt Service Fund | | | |
| Beginning Debt Service Balance | \$2,343 | \$2,343 | \$2,343 |
| Net Interfund Transfers | | | |
| To/From Bond Fund | \$372,700 | \$385,300 | \$401,250 |
| Expenditures | | | |
| Vouchers (Debt Service) | \$372,700 | \$385,300 | \$401,250 |
| Ending Debt Service Balance | \$2,343 | \$2,343 | \$2,343 |

Table 2. 2021 Cash Basis Financial Summary (Continued)

| Compensated Absences Fund | Actual 2019 | Adjusted 2020 | Adopted 2021 |
|---|------------------------|--------------------------|-------------------------|
| Beginning Compensated Absences Balance | \$30,984 | \$43,808 | \$71,895 |
| Revenue | | | |
| Miscellaneous Revenue (Investment Interest) | \$463 | \$71 | \$1,078 |
| Net Interfund Transfers | | | |
| To/From General Fund | \$35,360 | \$28,016 | \$31,837 |
| Expenditures | | | |
| Investment Fee | \$0 | \$0 | \$36 |
| Vouchers (Compensated Absences) | \$23,000 | \$0 | \$0 |
| Ending Compensated Absences Balance | \$43,808 | \$71,895 | \$104,774 |
| Grants Management Fund (Restricted) | | | |
| Beginning Grants Management Balance | \$2 | \$2 | \$0 |
| Revenue | | | |
| Grants | \$0 | \$15,658 | \$0 |
| Net Interfund Transfers | | | |
| To/From General Fund | \$0 | \$7,464 | \$0 |
| Expenditures | | | |
| Vouchers (Grants Management) | \$0 | \$8,196 | \$0 |
| Ending Grants Management Balance | \$2 | \$0 | \$0 |
| All Funds | | | |
| Total Ending Balance (All Funds) | \$12,535,996 | \$11,757,469 | \$6,276,956 |

Table 2. 2021 Cash Basis Financial Summary (Continued)

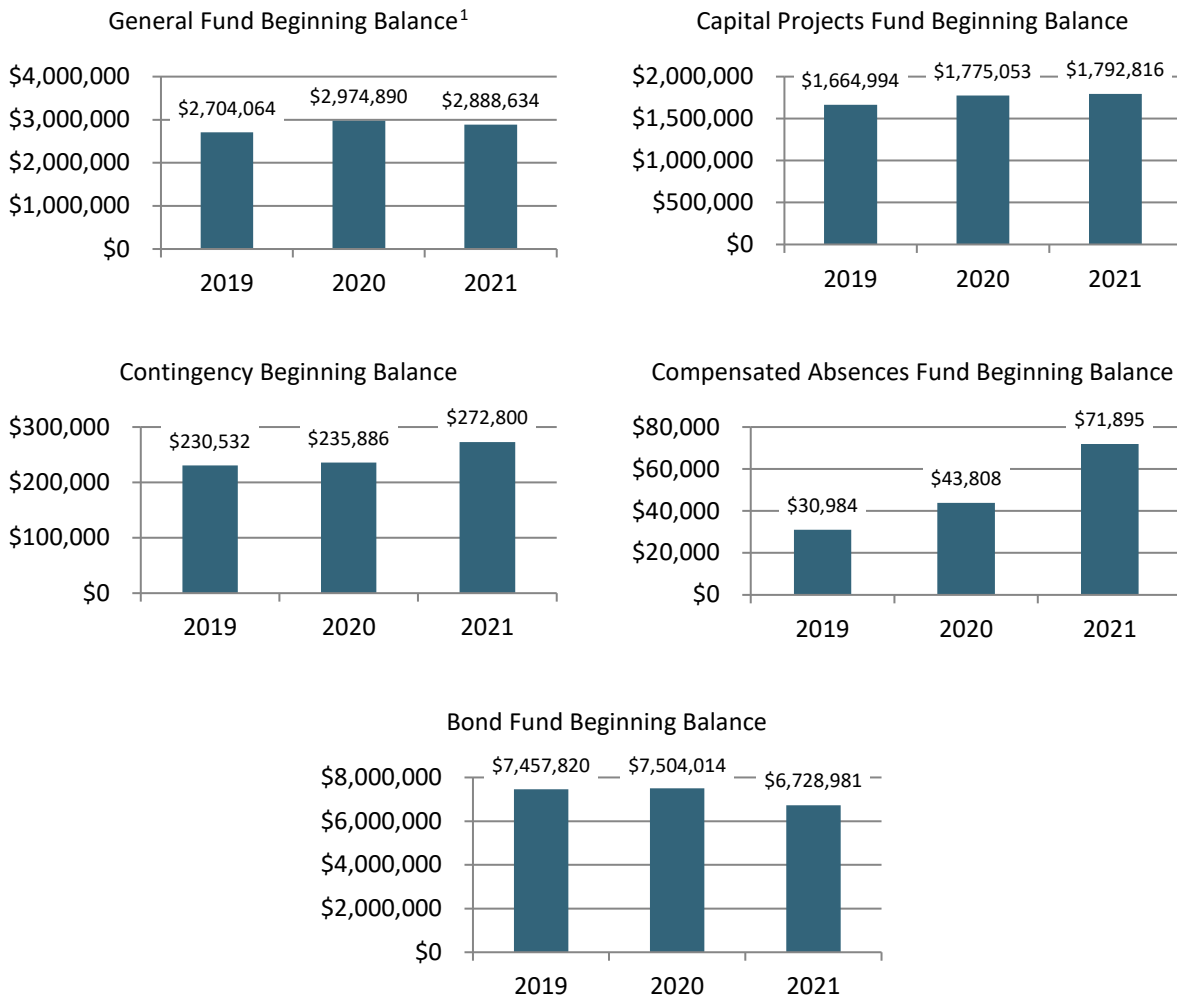
| Fiscal Performance Measures | Actual 2019 | Adjusted 2020 | Adopted 2021 |
|---|----------------|------------------|-----------------|
| Fiscal Responsibility | | | |
| General Fund Revenue-General Fund Expense | \$286,924 | -\$47,342 | -\$164,217 |
| Expenditure/Capita | \$259.41 | \$307 | \$315 |
| % Change in General Fund Balance | 9.41% | -1.54% | -5.26% |
| % Change in Capital Projects Fund Balance | 6.61% | 1.00% | -16.84% |
| % Change in Compensated Absences Fund Balance | 41.39% | 64.11% | 45.73% |
| General Fund Cash Flow/General Fund Revenue | 10.74% | -1.67% | -5.79% |
| General Fund Ending Balance/General Fund Revenue | 120.15% | 111.69% | 105.58% |
| Long Term Debt/Assessed Value | 0.35% | 0.31% | 0.28% |
| Debt Service/Operating Revenue | 11.56% | 11.59% | 12.02% |
| % Full Funding of Contingency (Administrative) Fund | 100.00% | 100.00% | 100.00% |
| % Full Funding of Capital Projects Fund | 123.14% | 147.52% | 82.21% |
| % Full Funding of Compensated Absences Fund | 30.21% | 32.73% | 69.31% |
| Adequacy & Sustainability of Funding | | | |
| General Fund Balance as a % of GF Expense | 135.36% | 121.99% | 115.89% |
| Revenue/Capita | \$370.81 | \$374.93 | \$376.01 |
| Intergovernmental Revenues/Total Revenues | 7.37% | 12.82% | 11.39% |
| Property Tax/Total Revenues | 72.04% | 72.29% | 73.05% |
| General Levy Rate | \$1.23 | \$1.13 | \$1.09 |
| General Levy Rate/Maximum Levy Rate (\$1.50) | 82.00% | 75.33% | 72.67% |
| Bond Levy Rate | \$0.22 | \$0.19 | \$0.18 |
| Total Levy (General Levy + Bond Levy) | \$1.45 | \$1.32 | \$1.27 |

Note: general fund revenue-general fund expense includes transfers out. Per capita performance measures are based on an anticipated 1% annual increase in population.

Changes in Fund Balance

Changes in beginning fund balance (cash and investments) and short-term trends are illustrated in Figure 1 (exclusive of the grants management fund and debt service fund). Overall beginning fund balances are healthy with the total of all funds decreasing slightly between 2019 and 2021 due to expenditure of bond funds for fire station renovation. Additional detail on projected changes in beginning fund balances is provided in the summary of the district’s long-term financial plan provided in Appendix C.

Figure 1. Beginning Fund Balances 2019-2021



General Fund

Beginning in 2021 the general fund beginning balance will decrease annually until such time as the property tax levy is increased through a voter approved lid lift. This change was anticipated based on

¹ This chart illustrates general fund beginning balance less contingency which is shown separately.

inflation and constitutional limitations in property tax increases and is addressed in the district's long-term financial plan.

Capital Projects Fund

The capital projects fund beginning balance will increase in 2021 due to increased transfer from the general fund to the capital projects fund. The balance in this fund will fluctuate considerably over the next several years based on the schedule of capital projects.

Compensated Absences Fund

The beginning fund balance for the compensated absences fund shows a substantial increase due to increased transfer from the general fund to address the district's liability for unused executive staff paid time off (PTO) and vacation for other full-time employees.

Grants Management Fund

No chart is provided for this fund as the district currently has no grants.

Bond Fund

Proceeds from an unlimited tax general obligation (UTGO) bond approved by the voters in November 2017 were deposited prior to the end of 2017 providing a beginning balance of \$7,424,544² in 2018. This balance will be drawn down as capital projects funded by the bond are completed between 2020 and 2022. Bond levy funds are deposited in the bond fund and transferred to the debt service fund to pay the debt service on the bond.

Debt Service Fund

No chart is provided for this fund. Bond levy funds are transferred from the bond fund to the debt service fund and expended for debt service in the year that funds are received. Beginning fund balance will generally be level with changes in the balance occurring throughout the year as tax revenue is received and debt service payments are made.

² The bond levy passed by the voters authorized the district to borrow \$7,376,000. Purchasers of the bonds paid an additional \$48,000 for origination of the bonds and related legal expenses resulting in a total revenue from sale of bonds of \$7,424,544 and debt of \$7,376,000.

District Overview

Central Whidbey Island Fire & Rescue (CWIFR) operates as a legally organized fire protection district under the *Revised Code of Washington (RCW) Title 52* and is governed by a three-member board of fire commissioners, each serving a six-year term. As a fire protection district, CWIFR is a municipal corporation that is independent from Island County and the Town of Coupeville. However, CWIFR provides fire and rescue services to the town as well as unincorporated areas of Island County within the district's boundaries.

Governance

By statute (Revised Code of Washington (RCW) 52.14.010), the board of fire commissioners is responsible for management of the affairs of the district. To that end, the board establishes policy and provides direction to the fire chief who is responsible for the day-to-day operations and fiscal management of the district.

The board of fire commissioners has considerable longevity. Commissioner Paul Messner has served since 1985, Commissioner Cheryl Engle has served since 1990 and Commissioner Steve Hutchinson has served since 2014. Commissioner Messner served as a firefighter from 1976 until his election as a Fire Commissioner in 1985 and Commissioner Steve Hutchinson served as a firefighter from 1988 until 2015.

Historical Perspective

CWIFR traces its roots to the Coupeville Volunteer Fire Department, formed in 1928 to provide fire protection for the Town of Coupeville. In 1952, the residents of the surrounding area formed Island County Fire District #5 to expand fire protection beyond the borders of the town. The district eventually expanded to six stations serving Central Whidbey Island. In 1987, the Town of Coupeville entered into an intergovernmental agreement with the fire district to provide fire protection for the town, and over the next ten years, the district consolidated four smaller stations constructing larger facilities on Race Road in Coupeville and Day Road in Greenbank. In 1990 the Town of Coupeville annexed into the fire district which was renamed Central Whidbey Island Fire & Rescue. In 2011, the district further consolidated emergency response operations into three stations located on Main Street in Coupeville, on Race Road, and on Day Road in Greenbank.

The District

Central Whidbey Island Fire & Rescue (CWIFR) serves an area of 50 square miles with an estimated population of approximately 8,586 (WA OFM, 2020a, 2020b) from three fire stations. CWIFR's response stretches from just south of Libbey Road to just north of Mutiny Bay road and spans the breadth of the island (see Figure 2). This predominantly rural area includes the Town of Coupeville and the unincorporated community of Greenbank.

Figure 2. Central Whidbey Island Fire & Rescue Locus Map



Coupeville

Coupeville is the second oldest town in Washington and is predominantly a residential community. However, Coupeville serves as the Island County Seat and the commercial center for the surrounding residential area. The town's area of just over one square mile is divided into two distinct areas divided by State Route (SR) 20. The older commercial district, which also contains county offices and health care facilities, is located north of SR 20. The area south of SR 20 includes schools and newer commercial development.

The Town of Coupeville also contains most of the district's target hazards³

- Front Street (several blocks of old, wood frame commercial buildings and Coupeville Wharf)
- Commercial buildings
- Island County complex (e.g., court, jail, county offices)
- WhidbeyHealth Medical Center (Whidbey Island Public Hospital District)
- Regency Coupeville nursing home
- Apartment complexes
- Churches
- Manufactured home communities
- Bed and breakfast hotels
- Island County Historical Museum
- Coupeville elementary, middle, and high schools
- Multiple historic buildings
- Home health care/group home facilities

Ebey's Reserve

Ebey's Reserve is the nation's first historical reserve, created in 1978 to protect a rural working landscape and community in Central Whidbey. The reserve includes 17,500 acres, 17 farms, over 400 historic structures, native prairies, two state parks, and the Town of Coupeville.

Target hazards in Ebey's reserve (outside the Town of Coupeville) include:

- Jacob Ebey House (National Park Service)
- Ferry House (National Park Service)
- Multiple historical agricultural facilities and homes

³ Target hazards present a higher level of risk than the typical residential structures found throughout the district.

Other Areas of the District

Areas of the district outside the Town of Coupeville are predominantly rural residential. However, there are multiple target hazards based on fire and non-fire risks, including:

- Seattle Pacific University Conference Center/Camp Casey
- United States Navy Coupeville Outlying Field (OLF)
- Greenbank Farm
- Washington State ferry (Coupeville) terminal
- Fort Casey State Park
- South Whidbey State Park
- Penn Cove Shellfish

Transportation Infrastructure

The primary transportation routes through the district are provided by State Routes 20 and 525. A limited number of major and secondary arterials parallel SR 20 and 525 in some areas of the district. The Washington State ferry connects with SR 20 at the Coupeville (Keystone) ferry terminal.

Demographics and Geography

The district is predominantly rural with a 2020 average population density of 171.72 people per square mile (mi²) with pockets of higher density throughout the district. Most of the Central Whidbey Island Fire & Rescue's response area is extremely rural.

As illustrated in Table 3 and Figure 3, the median age of the district's population is considerably higher than that of the state of Washington and of that for residents within the Oak Harbor (North Whidbey) zip code. The population within the Coupeville zip code has a slightly lower median age than that of residents in two of the three South Whidbey zip codes, and the median age of residents in the Greenbank zip code is substantially higher than in any other area on Whidbey Island.

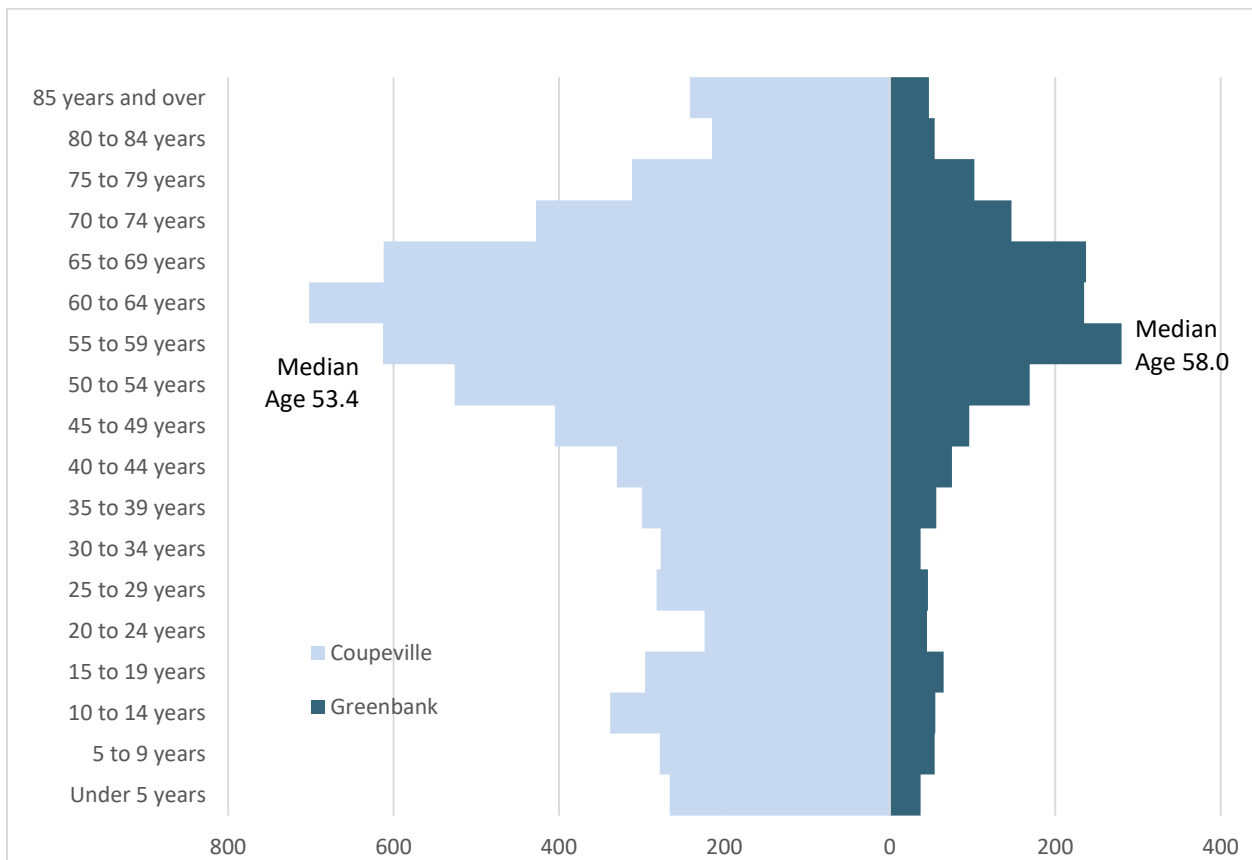
The population and age-related demographics of the district have an impact on workload and ability to recruit volunteer members. The large number of district residents over the age of 50 results in a substantial demand for emergency medical services and a higher potential risk of injury and death from fire incidents. In addition, the limited number of residents in the age group typical of volunteer firefighters (particularly in Greenbank) presents an ongoing challenge to maintaining adequate staffing.

Table 3. Population and Median Age for Washington State and Whidbey Island

| Area | Total Population | Median Age |
|----------------------------------|------------------|------------|
| Washington State | 6,724,540 | 37.3 |
| Oak Harbor/North Whidbey (98277) | 37,823 | 33.0 |
| Coupeville (98239) | 6,646 | 53.4 |
| Greenbank (98253) | 1,837 | 58.0 |
| Freeland (98249) | 4,561 | 54.9 |
| Langley (98260) | 5,278 | 54.4 |
| Clinton (89235) | 5,635 | 51.2 |

Note: Developed from 2010 Census Data (US Census Bureau, 2015) *American Fact Finder, Community facts* [zip code] 98277, 98239, 98253, 98249, 98260, 98253, and [state] Washington.

Figure 3. Population Distribution by Age in Coupeville and Greenbank Zip Codes



Note: Developed from 2010 Census Data (US Census Bureau, 2015) *American Fact Finder, Community Facts* [zip code] 98239 and 98253.

Description of Services Provided

Since the establishment of the Coupeville Volunteer Fire Department in 1928, fire and rescue services in Central Whidbey Island have changed considerably. Initially formed by community members as a defense against fire, Central Whidbey Island Fire & Rescue (CWIFR) is now an all-hazards service providing fire protection, emergency medical services, hazardous materials response, and rescue services. In addition, the district has moved towards establishing prevention at the core of our service to the community.

Community Risk Reduction (CRR) involves both proactive prevention and education along with effective emergency response to reduce harm from fire, accidents, illness, and natural hazards. Table 4 illustrates CWIFR’s proactive and response services.

Table 4. CWIFR Services

| Prevention & Education | Response |
|--|---|
| <ul style="list-style-type: none"> • Fire and medical community education • Fire and life safety inspections (commercial) • Home fire safety surveys • Address sign program • Hydrant inspection and testing • Pre-incident planning • Community preparedness | <ul style="list-style-type: none"> • Fire suppression (structural and vegetation) • Emergency medical services (EMS) in partnership with WhidbeyHealth EMS • Technical level marine rescue • Operational level hazardous materials response • Operational level technical rescue (rescue from height, confined spaces, trenches, or collapsed buildings) • Non-emergency services |

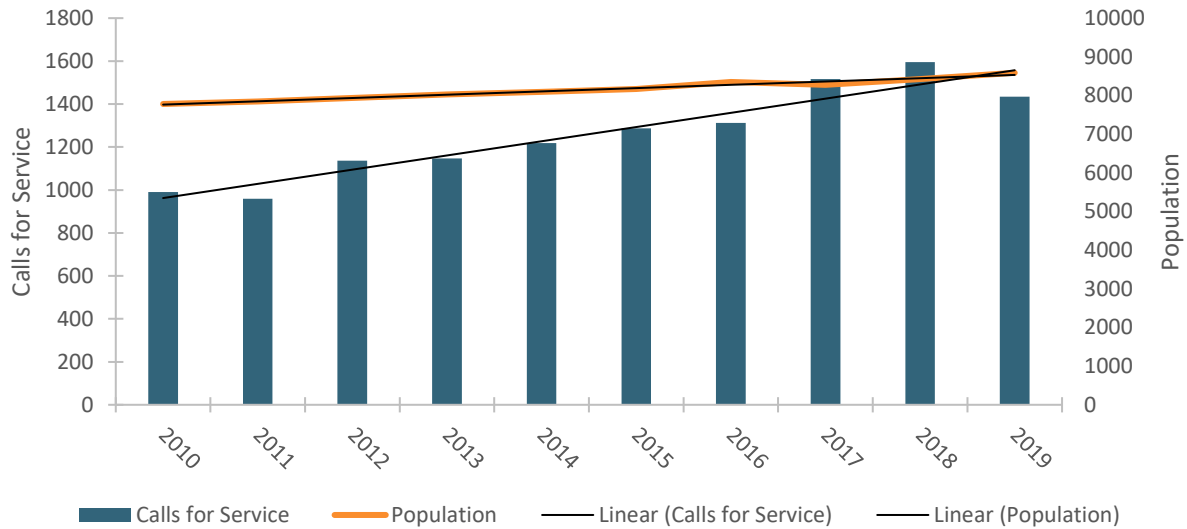
CWIFR maintains interlocal agreements with the Town of Coupeville and Island County to provide commercial fire and life safety inspections throughout the district.

Many of the response services provided by CWIFR are done in partnership with other agencies. CWIFR has automatic and mutual aid agreements in place with each fire agency on Whidbey Island to ensure the delivery of timely and effective emergency services. Additionally, the department routinely interacts with the Island County Sheriff’s Office (ICSO), WhidbeyHealth Emergency Medical Services (WH EMS), and the United States Coast Guard (USCG). Response to large scale disasters often begins with fire, rescue, & EMS services, but expands to include a wider range of resources. During large scale emergencies within the district, CWIFR also works closely with the Island County Department of Emergency Management.

Population and Demand for Emergency Services

CWIFR has seen a slow, but steady increase in population over the last 10 years. During that same timeframe the total number of calls for service has increased at a faster rate as illustrated in Figure 4.

Figure 4. Calls for Service and Population



Examining the exponential trend lines for both population and total calls for service illustrates call volume is increasing substantially faster than the district’s population. The district has experienced a 44.70% increase in demand for service in the past 10 years (2010-2019) while population has only increased by 10.36%.

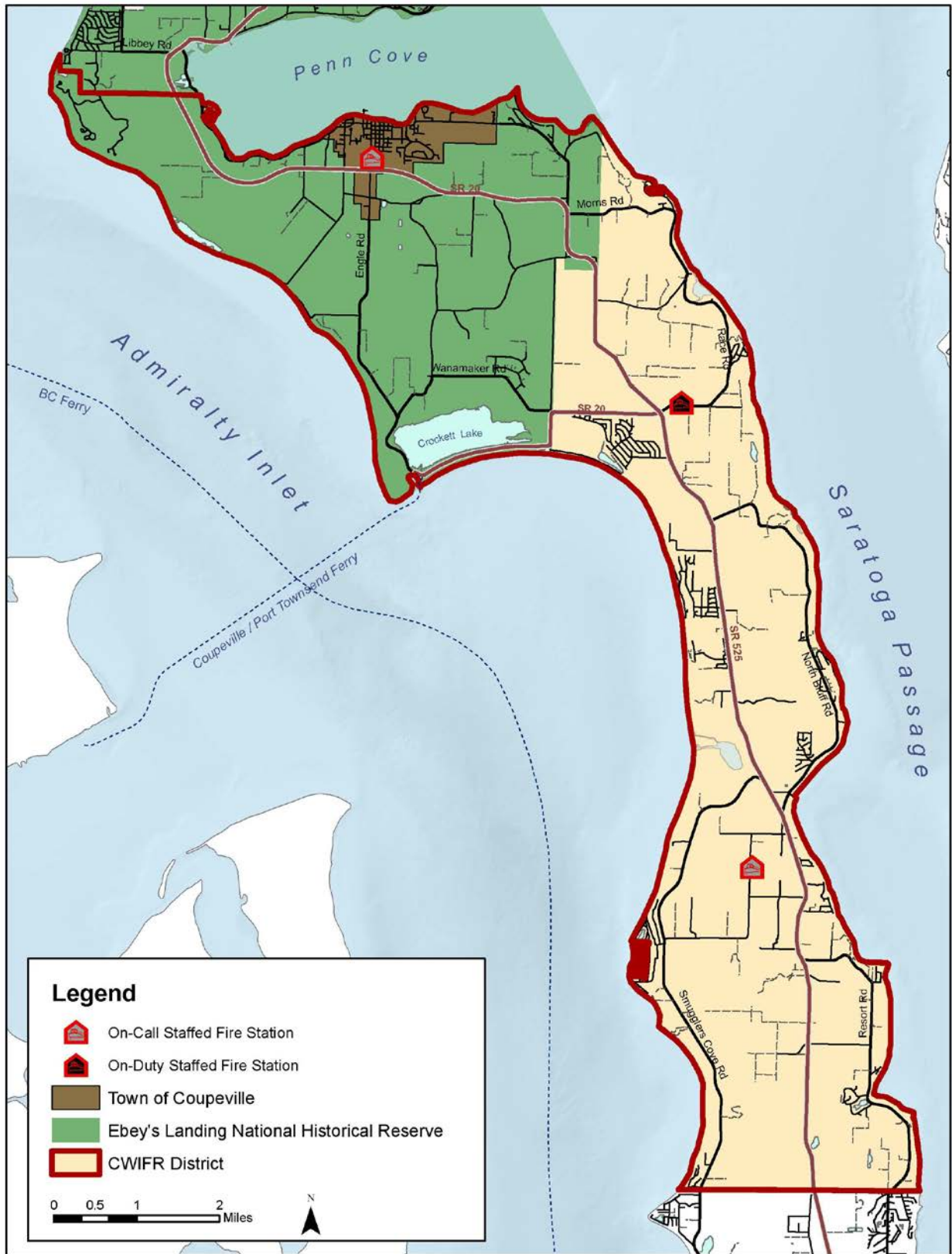
Non-Emergency Services

District staff is engaged in a wide range of proactive risk reduction work, completing 231 fire and life safety inspections of commercial occupancies and inspection and/or flow testing 356 fire hydrants on an annual basis. In 2020, the district expanded these efforts, developing water supply preplans with pre-designated water tender fill sites for all unhydranted areas of the community and developing pre-incident plans of approximately 120 target hazards. The district’s preplanning program will continue in 2021, expanding the number of target hazard preplans and conducting a survey of long driveways that present a significant response and water supply challenge within the district.

District Boundaries and Fire Station Locations

The district’s northern boundary is just south of Libbey Road and its southern boundary is just north of Mutiny Bay Road. The district is bounded on the east by Saratoga Passage and on the west by Admiralty Inlet as shown in Figure 5.

Figure 5. District Map



Fire Stations

The district's three fire stations in Coupeville and Greenbank (see Figures 6-8) are geographically placed to limit travel time (see Figure 5). However, volunteer staffing and the geography of the district (long and narrow with limited travel routes) has a significant impact on second- and third-unit response times.

Figure 6. Station 51-Main Street, Coupeville



Figure 7. Station 53-Race Road, Coupeville



Figure 8. Station 54-Day Road, Greenbank



Fire Station Renovation and Expansion

In 2015, the district completed a facilities study that concluded that the district's fire stations (51, 53, and 54) were in effective locations, but each need renovation and expansion to meet current and projected operational requirements and to provide a safe and effective work environment. The board of fire commissioners prioritized renovation and expansion of Station 53 as the most important facilities improvement. This project (along with purchase of three type one (structural) fire engines) was funded through a unlimited tax general obligation (UTGO) bond measure passed by the district's voters in November 2017. Following a structural and civil engineering assessment of the existing Station 53, Carletti Architects recommended replacement of the existing building (rather than renovation). This change reduces the overall expense of bringing the existing facility into compliance with current seismic codes and meeting the district's programmatic requirements. This approach will aid the district in bringing this project to successful conclusion on budget. Throughout the latter half of 2018 and 2019, the district has been slowly working through the process of developing architectural and engineering plans and completing the permitting process with Island County that will allow this project to move forward. At present, the district anticipates breaking ground in April 2021 and completing this project by April 2022.

Logistics Facility

In 2011, Station 52 on Morris Road (see Figure 9) was decommissioned as a fire station and use shifted to serve as a logistics facility, providing space for storage of equipment and supplies. This decision was based on analysis of response data, and limited volunteer staffing for this station.

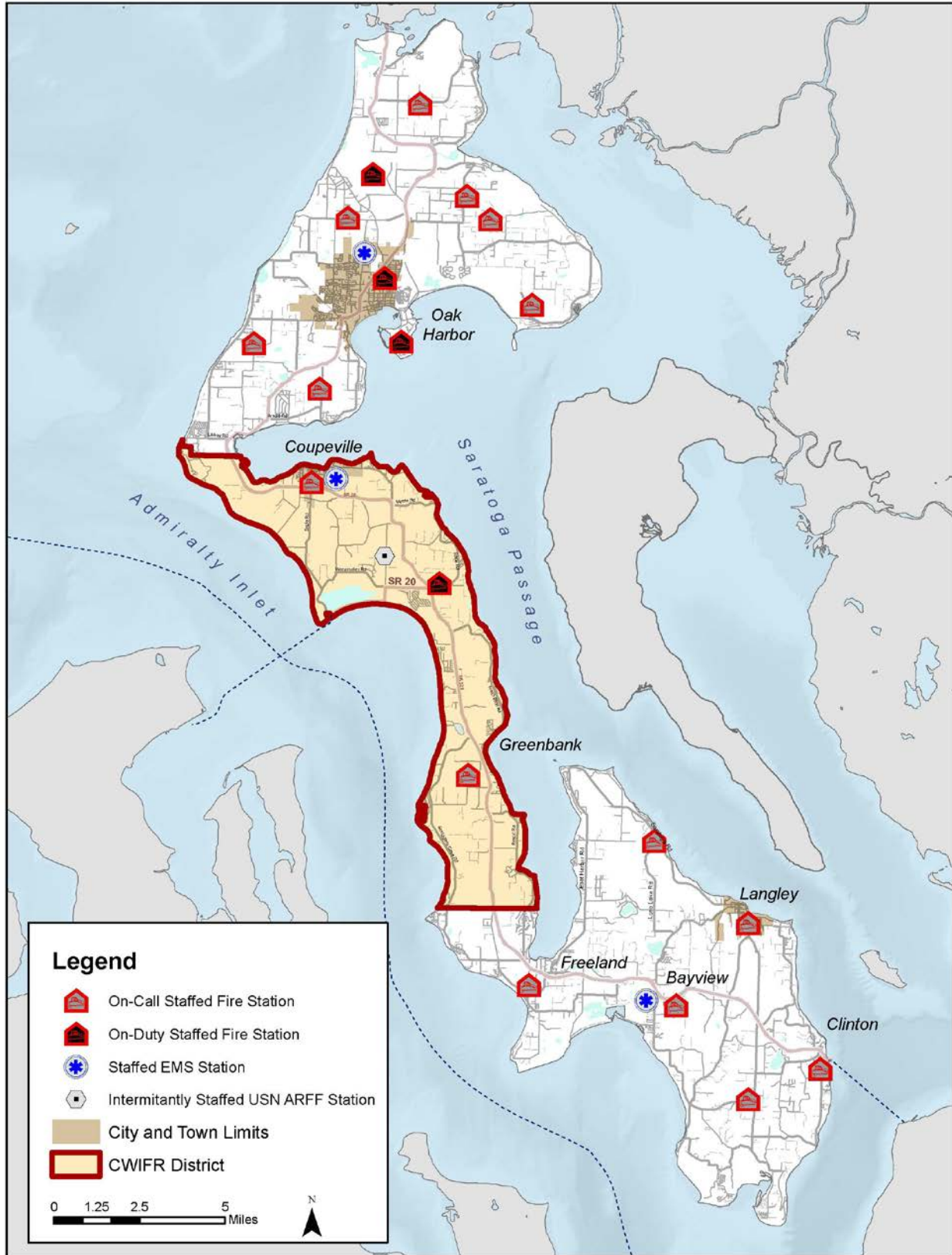
Figure 9. Station 52 (Logistics Facility)



Automatic and Mutual Aid

The extreme southern and northern ends of the district, which border South Whidbey Fire/EMS and North Whidbey Fire Rescue are served jointly through automatic aid agreements with both districts. Based on these agreements, the closest station or stations with the shortest travel time are dispatched to emergency incidents. These partnerships allow all three districts to receive the benefit of reduced travel time based on station location regardless of jurisdiction. The district also maintains mutual aid agreements with all emergency service agencies on Whidbey Island under which agencies may request assistance needed for larger incidents or if resources are committed to another incident. The location of automatic aid and mutual aid stations is illustrated in Figure 10.

Figure 10. Whidbey Island Fire Station Locations



Ambulance service is provided from three WhidbeyHealth ambulance stations in Coupeville, Oak Harbor, and Bayview.

District Organization and Staffing

Central Whidbey Island Fire & Rescue (CWIFR) serves the community with a combination of volunteers and paid (full and part-time) personnel. The district refers to this as the three-legged stool (see Figure 11). A three-legged stool is stable, even on an uneven surface if each of the legs is sufficiently strong. The same holds true for the district's staffing.

Figure 11. CWIFR's Three-Legged Stool



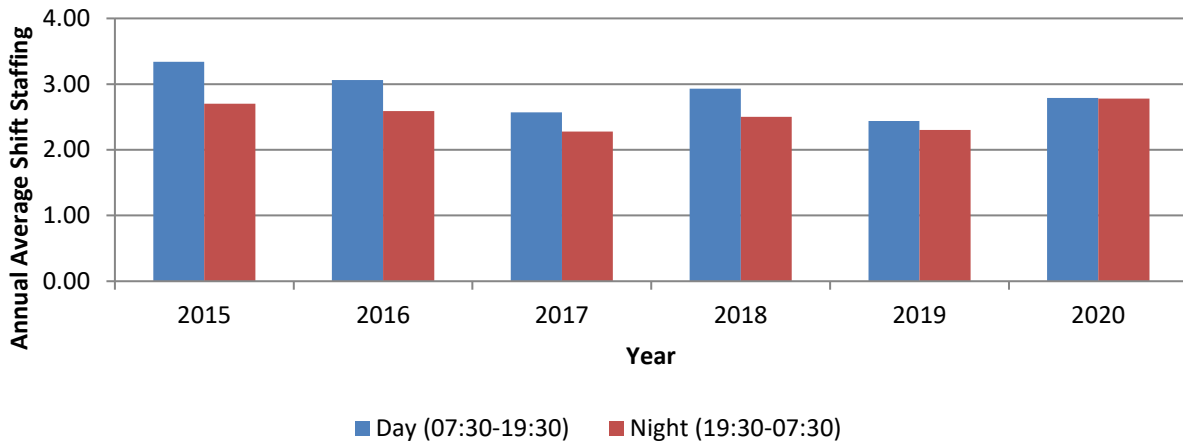
CWIFR staffs Station 53 on Race Road 24-hours per day, 365 days per year using a combination of full-time, part-time, and volunteer members.

Approximately 60% of calls for service occur during daytime and early evening hours. In addition, a large percentage of the district's community risk reduction activity (e.g., fire code inspections, public education, pre-planning, hydrant inspection and testing) is performed during daytime hours.

The district's three 24-hour shifts (A, B, and C) work 24 hours on-duty and 48 hours off duty with each full-time employee assigned to this schedule having one shift per month that they are not scheduled to work (Kelly shift) to reduce their workweek to 50.77 hours in accordance with the collective bargaining agreement (CWIFR & Local 4299 IAFF, 2019). Part-time firefighter/emergency medical technicians are also assigned to each of the three shifts with each part-time employee scheduled every other day that their shift works, providing a minimum work week of 25.38 hours. Part-time employees have a maximum work week of 35 hours (150.5 hours/month). A full-time lieutenant (or full-time firefighter acting as a lieutenant) supervises the on-duty staff. In addition, the district ensures that a command officer (chief or captain) is either on-duty or on-call (available for immediate response from within the district). Volunteer members may also work shifts alongside the district's full-time and part-time employees. However, volunteer participation in shift coverage has been limited.

Figure 12 illustrates average shift staffing provided by full- and part-time personnel assigned to 24-hour shifts (this excludes daytime staffing provided by administrative, training and recruitment, and fleet personnel with emergency response duties).

Figure 12. Average Shift Staffing (full- and part-time staffing)



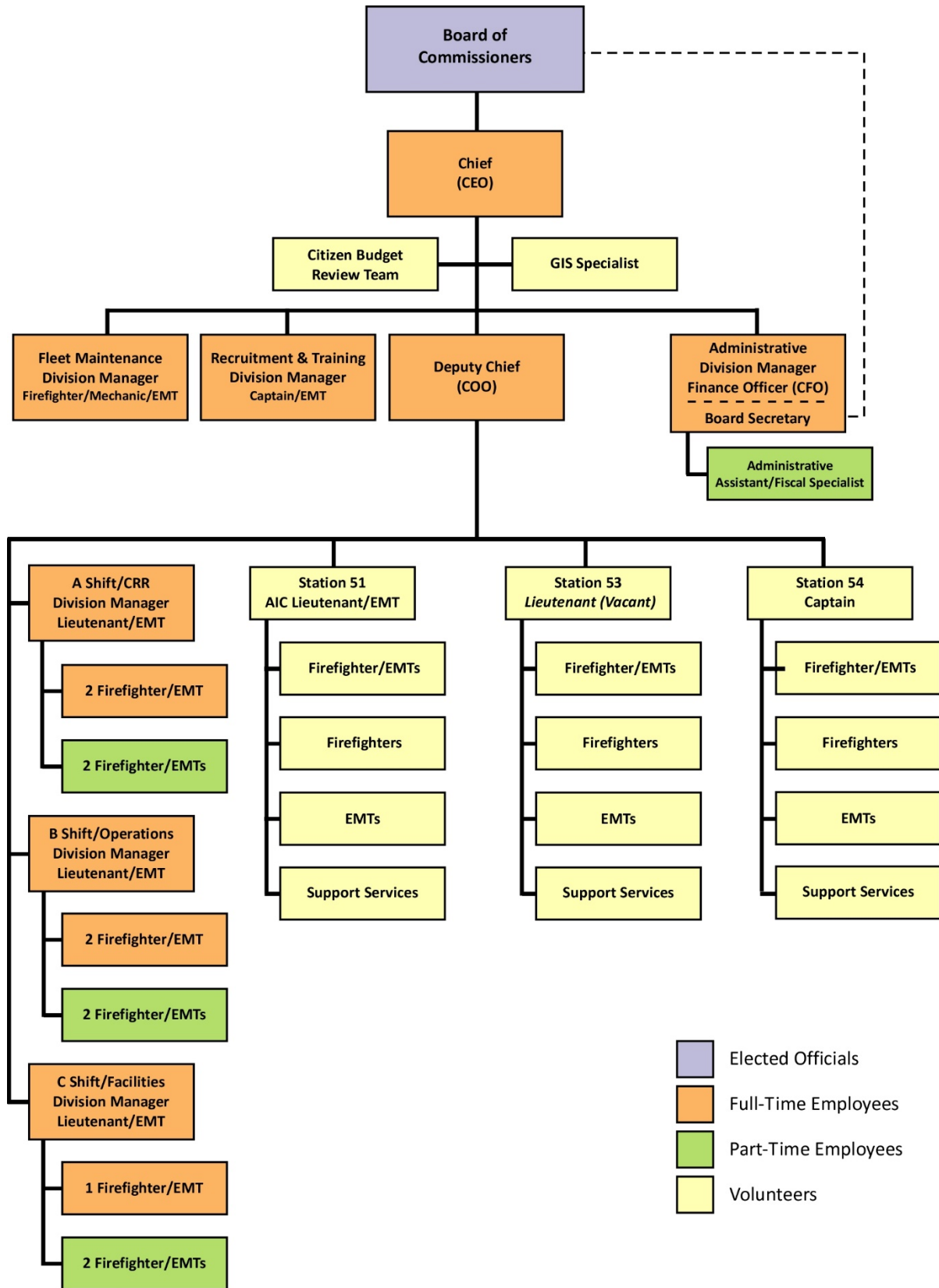
Note: 2020 data is for January 1, 2020 through June 30, 2020.

This limited on-duty staffing provides rapid response but is not adequate to deal with incidents such as a cardiac arrest, motor vehicle accidents with multiple patients or which require extrication, or structure fires which require considerably more personnel. When faced with a major incident or with multiple concurrent calls for service (which occurs approximately 20 times per month), CWIFR relies on volunteer members as well as off-duty full and part-time members to provide adequate staffing. Table 5 provides a summary of personnel by classification and division and Figure 13 illustrates organizational structure.

Table 5. Summary of Personnel by Classification and Division

| 2019 Personnel | Administrative | Operations | Life Safety/CRR | Training | Facilities | Fleet Maintenance | Total District Staff |
|----------------|----------------|------------|-----------------|----------|------------|-------------------|----------------------|
| Full-Time | 3.00 | 0.00 | 6.00 | 1.00 | 0.00 | 1.00 | 11.00 |
| Part-Time | 1.00 | 10.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10.50 |
| Volunteer | 1.00 | 21.00 | 0.00 | 0.00 | 0.00 | 0.00 | 22.00 |
| Subtotal | 5.00 | 31.00 | 6.00 | 1.00 | 0.00 | 1.00 | 43.50 |
| 2020 Personnel | Administrative | Operations | Life Safety/CRR | Training | Facilities | Fleet Maintenance | Total District Staff |
| Full-Time | 3.00 | 0.00 | 8.00 | 1.00 | 0.00 | 1.00 | 13.00 |
| Part-Time | 1.00 | 6.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6.50 |
| Volunteer | 1.00 | 18.00 | 0.00 | 0.00 | 0.00 | 0.00 | 19.00 |
| Subtotal | 5.00 | 24.00 | 8.00 | 1.00 | 0.00 | 1.00 | 38.50 |
| 2021 Personnel | Administrative | Operations | Life Safety/CRR | Training | Facilities | Fleet Maintenance | Total District Staff |
| Full-Time | 3.00 | 0.00 | 8.00 | 1.00 | 0.00 | 1.00 | 13.00 |
| Part-Time | 1.00 | 6.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6.50 |
| Volunteer | 1.00 | 26.00 | 0.00 | 0.00 | 0.00 | 0.00 | 27.00 |
| Subtotal | 5.00 | 32.00 | 8.00 | 1.00 | 0.00 | 1.00 | 46.00 |

Figure 13. CWIFR Organization/Lines of Accountability



While the district maintains a hierarchical organizational structure typical of paramilitary fire and rescue services, internal and external service delivery can also be examined in a functional basis. Much of the district’s work activity involves programs and projects that cross the boundaries of the hierarchical organization as illustrated in Figure 14.

Figure 14. Functional Organization

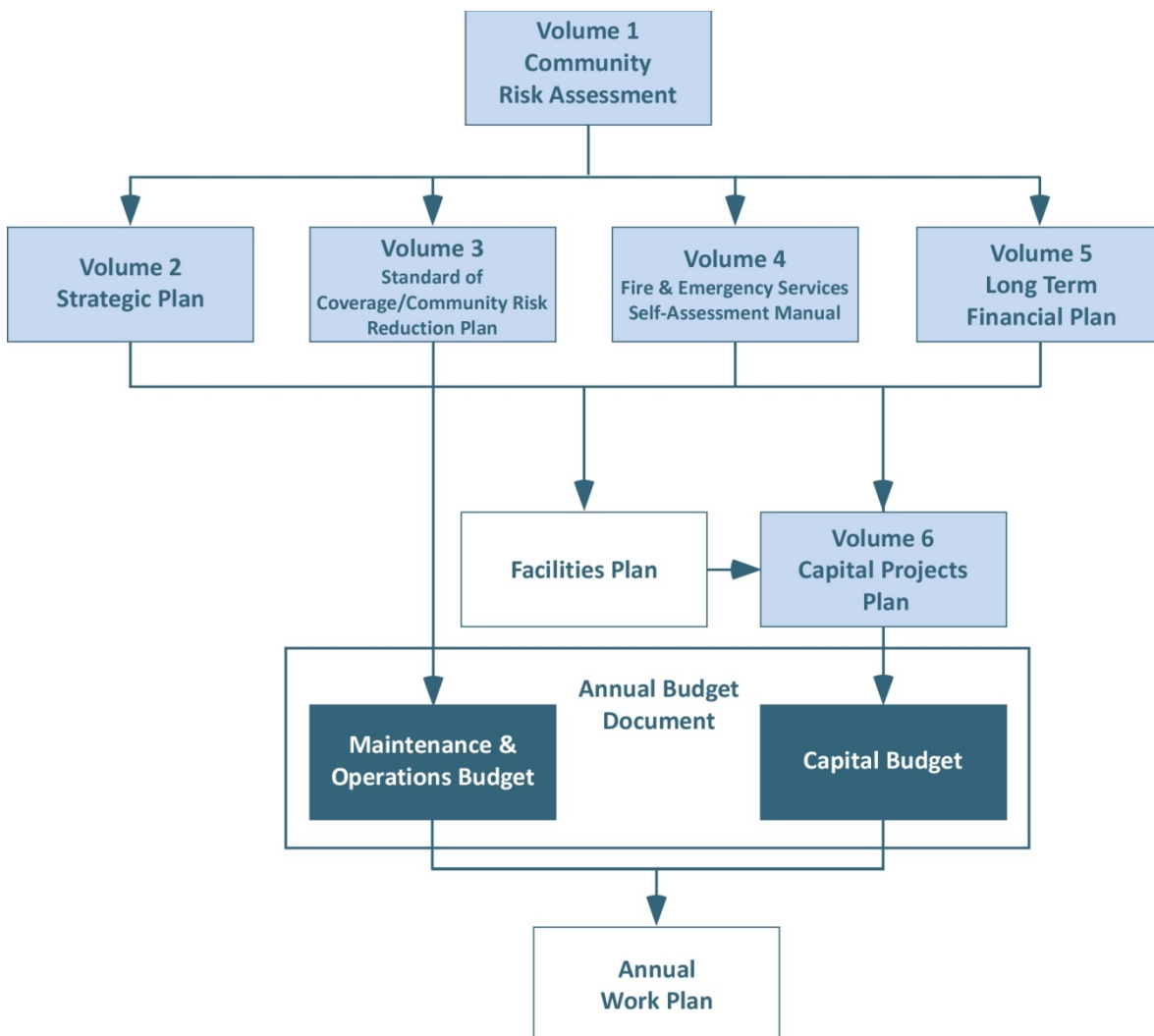


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Integrated Comprehensive Planning

Central Whidbey Island Fire & Rescue (CWIFR) maintains several strategic level plans to guide its ongoing operations with a forward-looking orientation. Each of these plans is a component of the district’s integrated comprehensive plan (ICP). Use of integrated comprehensive planning reduces duplication of effort and maximizes the effectiveness of the district’s planning process. The ICP provides direction to the district’s annual budgeting and work planning process which provides the mechanism to translate strategic level plans into action to address the district’s goals and initiatives. Figure 15 illustrates the components of the ICP, their relationships to one another and connection to the district’s annual budget process and work plan.

Figure 15. CWIFR Integrated Comprehensive Plan Components



Volume 1-Community Risk Assessment (CWIFR, under development): Each element of the district’s comprehensive planning process is rooted in a sound understanding of the nature, characteristics, and risk profile of the community. This volume of the Comprehensive Plan provides an overview of the

community including demographics, geography, economic profile, and critical infrastructure. In addition, provides a comprehensive risk assessment for the district, and by fire management zone (FMZ) and marine area (MA). [Download ICP Volume 1 Community Risk Assessment.](#)

Volume 2-Strategic Plan (CWIFR, 2016): CWIFR's strategic plan sets our organizational direction by establishing goals and identifies specific initiatives necessary to accomplish these goals and a means for measuring progress. This plan is a living document, intended to guide and support ongoing operations and is solidly integrated with the district's budgetary and operational business planning processes. [Download ICP Volume 2 Strategic Plan.](#)

Volume 3-Standard of Coverage, & Community Risk Reduction Plan (CWIFR, under development): The standard of coverage (SOC) and community risk reduction (CRR) plan provides a rational and systematic method of reducing and responding to the risks identified in the community risk assessment. This document establishes baseline and benchmark response performance standards, provides a basis for measuring service delivery performance, and identifies strategies and performance measures for proactive risk reduction. [Download ICP Volume 3 SOC, and CRR Plan.](#)

Volume 4-Fire and Emergency Services Self-Assessment Manual (under development): The Fire and Emergency Services Self-Assessment Manual (FESSAM) (CPSE, 2015) provides a structured approach to examining the district's current performance, assessment of this performance against criterion established by the Center for Public Safety Excellence (CPSE) Commission on Fire Accreditation International (CFAI) and developing a plan for continuous improvement. While this document is one of the key elements in fire department accreditation, the district has used this self-assessment process for six years prior to formally moving forward in the accreditation process. [Download ICP Volume 4 FESSAM.](#)

Volume 5-Long Term Financial Plan (2020a): Long term financial planning involves financial forecasting and strategizing how to meet both current and future needs of the community. This volume of the Integrated Comprehensive Plan provides a financial forecast projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables. [Download ICP Volume 5 Long Term Financial Plan.](#)

Volume 6-Capital Projects Plan (2020b): This volume of the integrated comprehensive plan establishes a long-term, prioritized schedule of capital investments to ensure that the district has sufficient resources to fulfill its mission and that critical assets are repaired or replaced before they reach their end of useful life. The capital projects plan provides a basis for development of the district's annual capital budget. [Download ICP Volume 6 Capital Projects Plan.](#)

While not part of the integrated comprehensive plan, the district's facilities plan (Rice Fergus Miller, 2015) provides analysis of existing facilities and projected needs based on a 50-year timeframe. This plan was used in development of the exiting capital projects plan and will serve as a reference for future capital facilities projects.

Alternately, read the components of the ICP on-line at the district's website (www.cwfire.org).

Overview of the District's Strategic Plan

The district revised its strategic plan in 2016 and is scheduled to update and revise its current strategic plan in 2021. This process reaffirmed CWIFR's values, mission, and vision and resulted in refinement and revision of the district's strategic goals, initiatives, and performance measures.

- **Strategic Goals:** Six strategic goals were established to provide a clear enterprise-wide strategy.
- **Initiatives:** Two to three initiatives were developed for each of the six strategic goals. These initiatives provide an organizing framework for performance improvement.
- **Performance Measures:** Performance measures were refined and revised to provide specific and measurable evidence of progress towards meeting the district's strategic goals.

As with initial development of the district's strategic plan, the process of revision was as important as the product. CWIFR continued use of the balanced scorecard (Kaplan & Norton, 2004) concept and the applied strategic planning model (Nolan, Goodstein, & Goodstein, 2008) to refine and revise its strategic goals, initiatives, and performance measures that focused on the community, fiscal stewardship, internal process, and resource requirements. Elements of this important and ongoing planning process included:

- Political, fiscal, and operational monitoring
- Definition of the district's values, mission, and vision
- Strategic business modeling
- Performance audit
- Identification of critical issues and service gaps
- Action planning
- Scenario based contingency planning

The strategic plan continues to be a working document, with its content integrated into all aspects of district operations. For example, our values, mission, and vision are an essential part of the district's recruitment and hiring, promotional process, and performance feedback system. Our strategic goals and initiatives serve as a roadmap for continuous improvement and are woven into our budget process.

CWIFR's Organizational Values

CWIFR and its members are committed to this common set of values that drive our interactions with the community and one another. As illustrated in Figure 16, *integrity* and *compassion* are at the core of CWIFR's values and surrounded by *professionalism* and *excellence*.

Figure 16. Central Whidbey Island Fire & Rescue (CWIFR) Organizational Values



Our values are fully integrated into our recruitment process for volunteers as well as part-time and full-time employees, performance feedback to our members, promotional process, and many other aspects of district operations.

Mission

CWIFR's mission defines our purpose for existence:

Central Whidbey Island Fire & Rescue's mission is to partner with our community to proactively reduce risk from fire, illness, injury and other hazards.

Fire districts were originally conceived to respond to and control fires. This role has expanded over time to include considerably more diverse types of emergency response services including care of the sick and injured, rescue from dangerous conditions, control of utility hazards and hazardous materials releases. However, once an emergency has occurred, harm has already occurred and likely will increase without intervention. The best way to mitigate the risk of harm is to prevent the emergency.

Vision

An organizational vision is a clear and succinct description of what the organization or community should look like after it successfully implements its strategies and achieves its full potential. Ideally, the vision creates tension between this ideal, the current state of affairs, and what is possible. During CWIFR's community based strategic planning process, members of the working group crafted the following vision:

Central Whidbey Island Fire & Rescue: World class fire and rescue services

World class may mean many things. To provide clarity for this simple, but audacious vision, the working group described what this would look like in our community:

CWIFR has implemented fiscally sustainable, fire and rescue services best practices. Working with, not simply for the community, the district has developed Central Whidbey Island into a safe and resilient place to live and work. The community has trust and ownership of their fire and rescue services as CWIFR serves with openness and transparency.

Strategic Themes and Outcomes

Strategic themes are the focus of Central Whidbey Island Fire & Rescue’s (CWIFR’s) strategy, or key areas in which the district must excel to achieve our mission and vision. While themes are expressed in general terms, each is intended to achieve a specific and explicitly stated outcome. Table 6 outlines the district’s strategic themes and outcomes.

Table 6. Strategic Themes & Outcomes

| |
|--|
| Strategic Theme: Community Risk Reduction |
| Outcomes: CWIFR’s services provide a safer and more resilient community by reducing the rate at which emergency incidents occur and reducing the severity of those that do occur. |
| Strategic Theme: Community Partnerships |
| Outcomes: CWIFR works effectively with our partners to maintain a close relationship with the community and provide effective and efficient service delivery. |
| Strategic Theme: Organizational Excellence |
| Outcomes: CWIFR consistently provides services needed by the community in a timely, effective, and efficient manner. |

Critical Perspectives

Each strategic theme is examined through four different lenses: from the perspective of the community, financial stewardship, internal processes, and physical and human resources. As illustrated in Table 7, each perspective answers important questions.

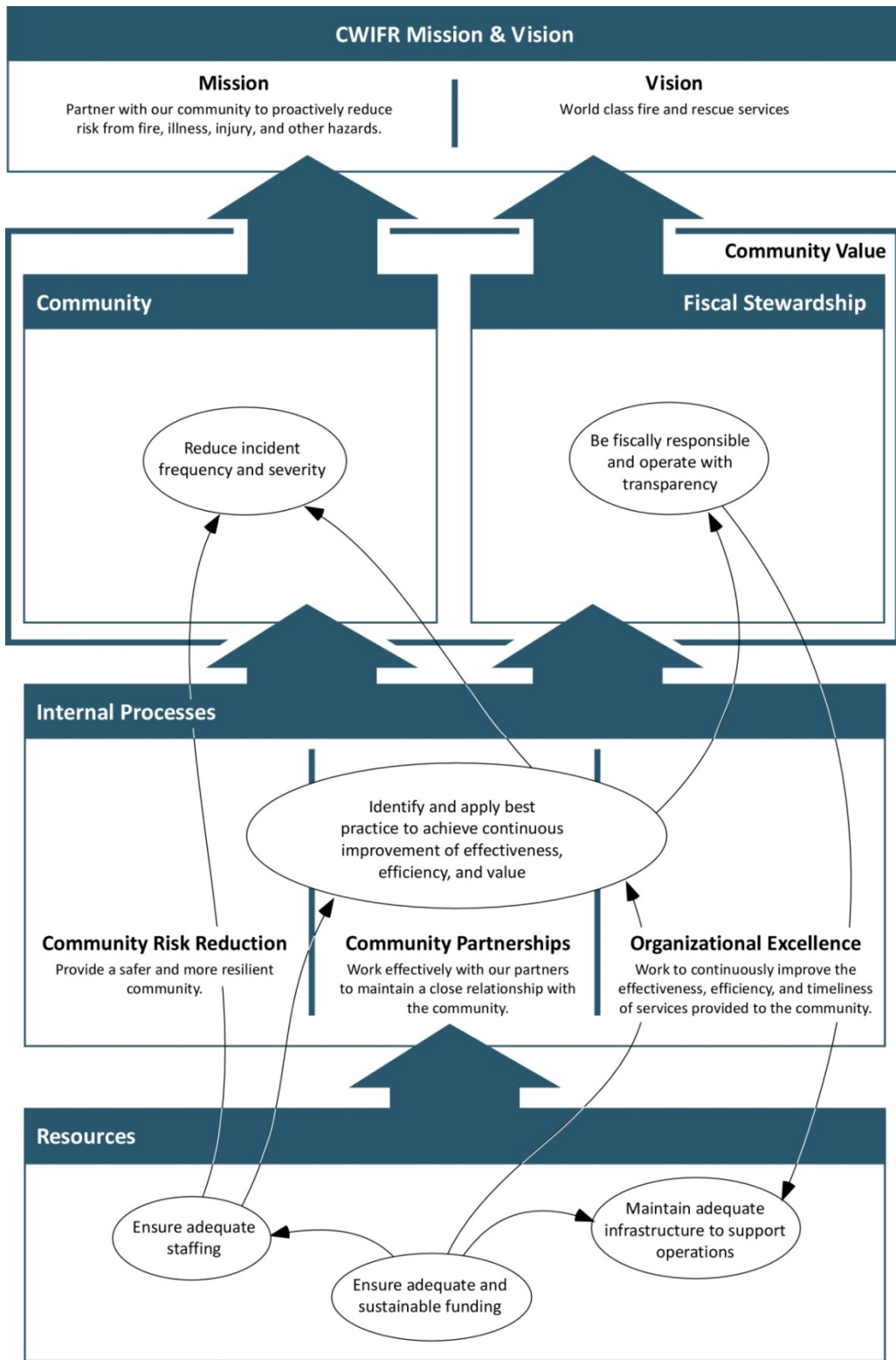
Table 7. Critical Perspectives

| Perspective | Questions Answered | |
|------------------------------|--|--|
| Community | How will CWIFR achieve the community’s risk reduction outcome objectives? | How will CWIFR provide the greatest value to the community based on outcomes and cost effectiveness? |
| Fiscal Stewardship | How will the district provide the most cost-effective service to the community? | |
| Internal Processes | In what internal processes must district excel to exceed the community’s expectations? | |
| Physical and Human Resources | What resources and capabilities are required to exceed the community’s expectations? | |

Enterprise-Wide Strategy

CWIFR's three themes; Community risk reduction, community partnerships, and organizational excellence provide structure and a solid foundation for the district's strategic plan. Each theme may be examined individually; however, there are several strategic goals that cross two or even all three themes. Figure 17 illustrates how these goals relate to our strategic themes, mission, and vision.

Figure 17. Enterprise Wide Strategy Map



As CWIFR’s enterprise wide strategy is based on integration of its strategic goals, it serves as the district’s strategic bull’s eye.

Strategic Goals and Initiatives

Each strategic goal is supported by specific initiatives that continue for the duration of the plan (2017-2021). In most cases, strategic goals and in some cases, initiatives involve more than one division. Table 8 illustrates responsibility for strategic goals and initiatives by division.

Table 8. Division Responsibility for Strategic Goals and Initiatives

| Goals & Initiatives | Administrative | Operations | CRR | Training/ Recruitment | Facilities | Fleet |
|--|----------------|------------|-----|--------------------------|------------|-------|
| Reduce incident frequency and severity. [Community] | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| <i>Focus prevention and public education on community risks.</i> | | | ◆ | | | |
| <i>Improve operational capability to address community risks.</i> | | ◆ | | ◆ | | |
| Be fiscally responsible and operate with transparency. [Fiscal Stewardship] | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| <i>Develop, maintain, and operate under sound fiscal policy and procedure.</i> | ◆ | | | | | |
| <i>Engage the community in building awareness and understanding of the district's fiscal and policy making processes.</i> | ◆ | | | | | |
| <i>Develop and maintain a capital projects plan to meet the district's capital infrastructure needs.</i> | ◆ | ◆ | | | ◆ | ◆ |
| Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. [Internal Process] | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| <i>Maintain the district's strategic plan.</i> | ◆ | | | | | |
| <i>Develop and maintain the district's community risk assessment, community risk reduction plan, and standard of cover.</i> | ◆ | ◆ | ◆ | | | |
| <i>Complete and maintain the district's fire and emergency services self-assessment manual (FESSAM)</i> | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| <i>Integrate the strategic plan, community risk assessment, community risk reduction plan, and standard of cover; and the FESSAM into the district's annual planning cycle and budget process.</i> | ◆ | | | | | |
| Ensure adequate and sustainable funding. [Resources] | ◆ | | | | | |
| <i>Develop alternative (non-property tax) revenue sources consistent with the district's mission.</i> | ◆ | | | | | |
| <i>Develop and present property tax funding alternatives (e.g., lid lift, voter approved bond measure) to the board of fire commissioners as necessary to meet and continue established service delivery levels.</i> | ◆ | | | | | |

Table 8. Division Responsibility for Strategic Goals and Initiatives (Continued)

| Goals & Initiatives | ◆ Primary Responsibility | ◆ Supportive Responsibility | Administrative | Operations | CRR | Training/ Recruitment | Facilities | Fleet |
|--|--------------------------------------|-----------------------------|----------------|------------|-----|--------------------------|------------|-------|
| | Ensure adequate staffing [Resources] | ◆ | ◆ | | | | ◆ | |
| <i>Engage in effective recruitment to strengthen volunteer staffing to meet the district's operational requirements.</i> | ◆ | | | | | ◆ | | |
| <i>Provide the tools and support necessary to develop and maintain a competent workforce.</i> | ◆ | | | | | ◆ | ◆ | ◆ |
| <i>Engage our members in a comprehensive effort to develop and maintain health, wellness, and physical capacity.</i> | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Maintain adequate infrastructure to support operations. [Resources] | ◆ | | | | | | ◆ | ◆ |
| <i>Maintain district facilities to minimize operational cost over their lifecycle.</i> | ◆ | | | | | | ◆ | |
| <i>Maintain the district's apparatus and equipment to minimize operational cost over their lifecycle.</i> | ◆ | | | | | | | ◆ |

Performance Measurement

Why measure performance? “Neither the act of measuring performance nor the resulting data accomplishes anything itself; only when someone uses these measures in some way do they accomplish something” (Behn, 2003, p. 586). Measuring performance is essential to both defining a starting point and for evaluating progress. As Kaplan and Norton (2004) observe, “You can’t manage what you can’t measure...You can’t measure what you can’t describe” (p. xiii).

Effective organizational performance requires measurement to first establish a baseline and subsequently to evaluate progress toward established goals. However, performance management provides benefits beyond checking progress (Neely, 2002).

Performance measurement supports continuous learning in which feedback is used for identifying achievements and adjusting agreed-upon strategies or initiatives. This process is critical to continued progression towards the attainment of organizations’ mission and vision. It also can provide a balanced and systematic attempt to assess the effectiveness of operations from different points of view: financial, operational performance, community, and members.

Strategic Performance Measures

One Central Whidbey Island Fire & Rescue (CWIFR) enterprise-wide strategic goal is to identify and apply best practices to achieve continuous improvement of effectiveness, efficiency, and value. Performance measurement is essential in assessment of progress towards this goal.

In the end, performance is measured after the fact. For example, success in treating a patient that is in cardiac arrest can only be determined after the patient survives to leave the hospital and return to a

normal life (or they do not). Similarly, community fire safety can be measured based on death, injury, and property loss. These are lagging (after the fact) or outcome measures. In most cases, outcomes are influenced by multiple factors, some of which are directly controlled or influenced by the district and others which are outside the district’s direct control or influence. For example, emergency medical outcomes are influenced by the patient, the patient’s primary care physician, Central Whidbey Island Fire & Rescue (CWIFR), WhidbeyHealth Emergency Medical Services (WH EMS), and the definitive care provided by WhidbeyHealth or another hospital. Fire safety outcomes are similarly complex.

Leading indicators or performance drivers measure factors that are critical to achievement of specified goals or successful performance as measured by lagging indicators (outcome measures). For example, in both cardiac arrest and structure fire response, response time is an important factor and may serve as a useful leading indicator or performance driver when assessing emergency response effectiveness.

CWIFR’s Balanced Scorecard

The district’s 2017-2021 strategic plan (CWIFR, 2016) refined and clarified measures to ensure close alignment with the district’s strategic goals and provide a balanced scorecard examining performance through the community, fiscal stewardship, internal process, and resources lenses.

Performance measures are presented within general fund budget by division. This approach provides a strong connection between division responsibilities, performance, and budgeted funds. Performance measures are reported on an annual basis. Given the district’s budget cycle (January to December) performance measures dependent on a full year’s data are reported for the three prior years. Performance measures that do not require a full year’s data are reported for the current year and two prior years.

Table 9 specifies the location and provides links to the performance measures for each division.

Table 9. Performance Measures Reference

| Division | Page Reference |
|--------------------------|--------------------------|
| Administrative | Page 63 |
| Operations | Page 77 |
| Community Risk Reduction | Page 87 |
| Training and Recruitment | Page 97 |
| Facilities | Page 105 |
| Fleet Maintenance | Page 113 |

Budget Process

Central Whidbey Island Fire & Rescue (CWIFR) strives to maximize effectiveness, efficiency, and value to the community. In addition, the district endeavors to be transparent in our decision-making and financial affairs to allow our taxpayers and the district's voters to have the ability to assess if CWIFR is making efficient use of public funds and providing good value for the cost of our services. This section of the budget provides an overview of our budgeting, accounting, and financial management processes.

Budget Philosophy

The district maintains a conservative fiscal philosophy and endeavors to make financial decisions in the best interests of its taxpayers. The annual operating and capital budgets provide the financial basis for implementing the district's integrated comprehensive plan (ICP) and meeting our mission of partnering with the community to reduce risk.

The budget is based on clearly articulated policies. It is realistic and includes adequate resources to accomplish identified goals and objectives. Once adopted, the fire chief is given spending authority consistent with policy guidance and within budgeted funds.

Bottom-Up Budgeting

CWIFR uses a bottom-up budget process that engages project and program managers in developing budgets for each functional area of district operations. These budgets are consolidated, reviewed, and refined to produce the adopted district budget.

In addition to building its budget from the bottom up, CWIFR uses modified zero based budgeting. In this process, it is not assumed that the current year's spending for a program or function is justified.

Expenditures are examined to identify answers to the following questions:

- Is this expenditure or level of expenditure in the best interest of the community?
- Are the goals and objectives of the program or function identified in the district's strategic plan?
- Are there other less costly and/or more effective ways of achieving the desired outcomes?
- Would overall achievement of the district's strategic goals be improved if funding was shifted from the program under review to another area of district operations?

As illustrated in Table 10, this bottom-up, modified zero based budgeting process has both advantages and disadvantages.

Table 10. Advantages and Disadvantages of Bottom Up Budgeting

| Advantages/Reinforcing Strategy | Disadvantages/Mitigating Strategies |
|---|---|
| <p>Participative Process: Bottom up budget development is a participative process in which the members involved develop a greater sense of ownership and commitment to the budget as a financial plan.</p> <p>Reinforcing Strategy: The district’s budget is used as an ongoing tool by all members with program or project management responsibility. Integration of the budget into program and project management as well as real time access to financial data increases commitment to the budget as the district’s working financial plan.</p> | <p>Time Required: Development of the district budget from the bottom up takes a significant commitment of staff time for developing program, project, and division budget proposals, executive review, and refinement of the Adopted district budget.</p> <p>Mitigation Strategy: The district’s budget calendar is designed to provide adequate staff time for budget development and integrates the budget development process into ongoing staff work.</p> <p>Lack of Expertise: This approach requires individuals who may have limited experience and expertise to develop detailed budget projections.</p> <p>Mitigation Strategy: Professional development includes training and ongoing coaching in budget development and use of the budget as an ongoing financial management tool.</p> |
| <p>Accuracy: A bottom up budget has potential to be more accurate as those involved are closest to the work that will be performed.</p> <p>Reinforcing Strategy: Integration of the budget into program and project management along with accurate accounting by expense category provides ongoing improvement in budget accuracy.</p> | <p>Overestimation: Competition for scarce resources may lead to overestimation of budget needs.</p> <p>Mitigation Strategy: Budget review at the division and district level along with the use of a modified zero-based budgeting process, controls for overestimation of budget needs.</p> |
| <p>Improved Communication and Coordination: Budget development from the bottom up improves communication and coordination between project and program managers and district executive staff.</p> <p>Reinforcing Strategy: Regular fiscal reporting and ongoing conversation between the district’s executive staff and members responsible as Program and Project Managers maintains a focus on the budget as a working document.</p> | <p>Lack of Context: In many organizations, rank and file members and first- or second-line supervisors do not have knowledge of strategic level organizational goals that impact budget development.</p> <p>Mitigation Strategy: The district’s mission, values, and vision are integrated with ongoing operations. Within the budget process, project, program, and division budgets must be tied closely to specific strategic goals and initiatives.</p> |

Budget Calendar and Workflow

The district’s budget process begins in April with review of the district’s strategic goals, capital projects plan, and other major policies, followed by development of project, program, and division budgets and concludes in November with adoption of the budget by the board of fire commissioners and submittal to the Island County Auditor. Table 11 details the timeline for specific budget development activity taking place over the course of the year.

Table 11. CWIFR Budget Calendar

| Month | Activity |
|-----------|--|
| April | Board major policy review <ul style="list-style-type: none"> • Strategic goals • Capital projects plan • Other major policies Executive staff multi-year fiscal projections |
| June | Community budget review working group review of budget assumptions |
| July | Development of division budgets |
| August | Review & revision of division budgets Draft district budget input (BIAS) |
| September | Executive review & revision of the Adopted district budget Community budget review working group review of Adopted district budget |
| October | Submittal of the Adopted district budget to the board of fire commissioners Public budget hearing Budget accepted, or revisions specified by the board of fire commissioners |
| November | Adoption of the budget by the board of fire commissioners Adopted budget submitted to the Island County Auditor Board of fire commissioners, executive staff, and community budget review working group review and discussion of the budget process and recommendations for improvement. |
| December | Adopted budget submitted to the Government Finance Officers Association (GFOA) Distinguished Budget Award Program for review. |

Development of Division Budgets

Just as the division budgets are the foundation for development of the overall district budget, program budgets provide the basis for development of division budgets.

Budget Requests: Division and program managers must be able to speak to the reason for each specific budget request, why this expenditure is in the best interest of the community, how the expenditure supports achievement of the district’s strategic goals and initiatives, and what alternatives were considered in determining that this expenditure was the most cost-effective approach. Within the operating budget, any expenditure that reflects a significant change (increase/decrease in expense or addition or elimination of a service or program) must be accompanied by a narrative explanation or justification.

Division Business Plan: Division managers must review the district’s adopted strategic goals and related initiatives and submit a business plan along with their division budget detail worksheet including:

- Division title
- Purpose of the division (explanation of why the division exists)
- Programs within the division’s area of responsibility
- Strategic goals supported by division activities
- Accomplishments achieved in the prior year
- Projects that will be implemented or in progress during the budget year

Each division’s project is tied to specific strategic goals, initiatives, and Commission on Fire Accreditation International (CFAI) accreditation criterion. Developing these business plans ensures alignment between the district’s strategic plan and budget.

Capital Projects Plan and Budget

Capital projects are defined as having a cost of greater than \$5,000 and a useful life of more than one year. Capital projects may include real property, equipment, or software. Annual transfers between the general fund and capital projects fund are based on amortized expense of specific capital projects as defined by the board of fire commissioners.

The district maintains a detailed ten-year capital projects plan which serves as the foundation for the annual capital budget. The capital projects plan is reviewed by the board of fire commissioners in April of each year prior to the start of the budget development process. The plan consists of

- Capital projects fund cash flow and overview of scheduled projects
- Individual capital project request and estimates of cost
- Capital projects amortization schedule

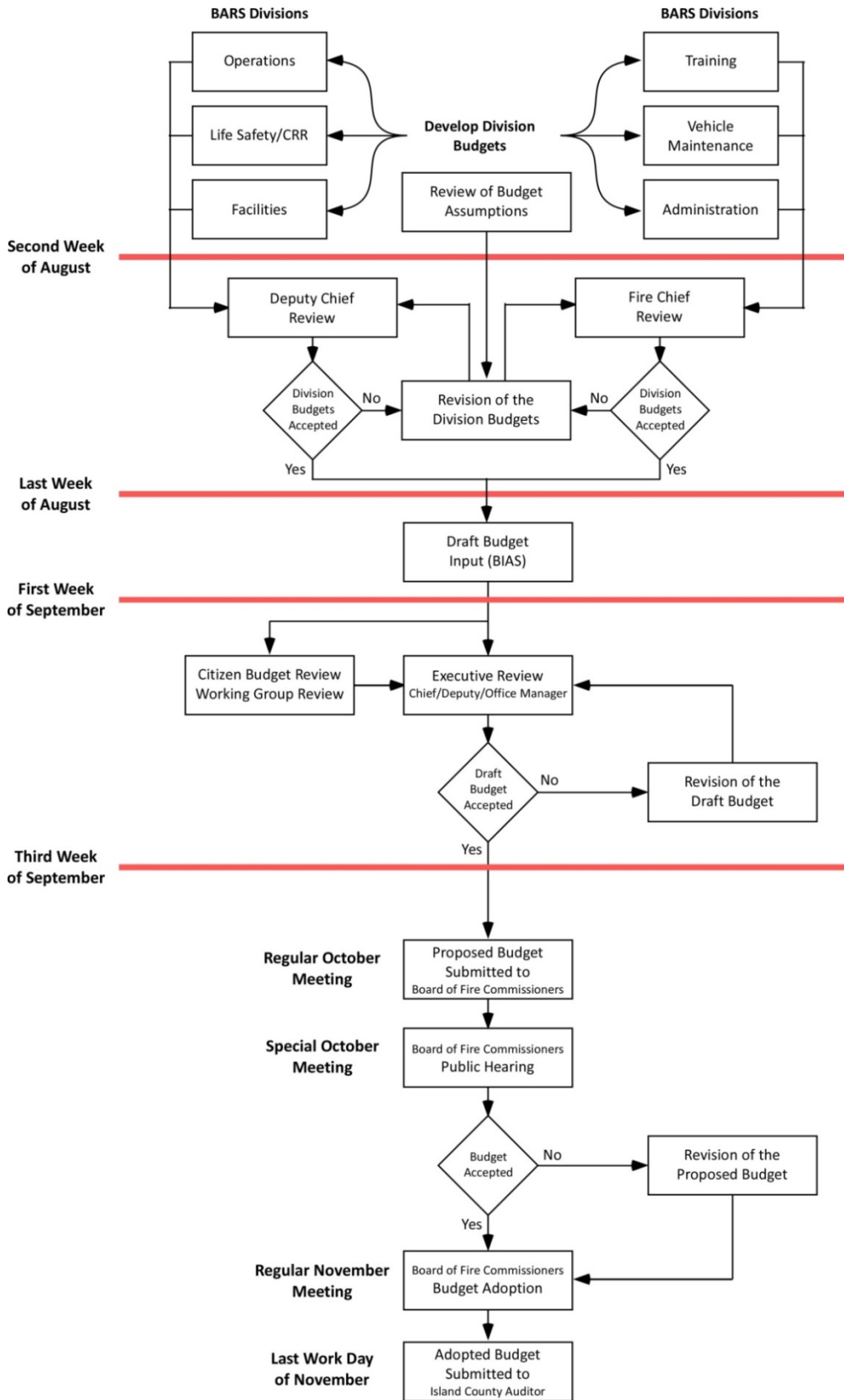
Most capital projects are included in the capital projects fund. However, the capital projects for renovation of Station 53 and purchase of three type one (structural) fire engines were moved to the bond fund at the end of 2017 with passage of a voter approved bond measure. Therefore, separate capital budgets for the capital projects fund and bond fund are included in the annual budget document.

Community Budget Review

A working group composed of community members is selected by the fire chief to serve in an advisory capacity, providing input to the fire chief and finance officer on the budget and budget document from a community perspective to ensure transparency and clarity. The working group is engaged throughout the budget process including review and discussion of budget assumptions, draft budget documents, participation in the budget hearing, and review of the final budget document.

Figure 18 illustrates the workflow and key milestones for budget development and approval.

Figure 18. Budget Development Workflow



Budget Adjustment

There are two types of budget adjustments. The first is simply a transfer between line items within a given fund (e.g., reduction in one or more lines and an increase in one or more other lines) while maintaining the same overall appropriation (adopted budget amount). The second type of adjustment is a transfer between funds and change in the appropriated amount within those funds (e.g., transfer from the general fund to the capital projects fund).

Line item expenditures that exceed the adopted amount may be approved by the fire chief provided that the budget remains balanced at the division and Fund levels. If line item expenditures would result in a deficit (within the line) of greater than \$2,000, the board of fire commissioners must be notified at its next regular meeting and funding of the line increased through the budget adjustment process.

Budget adjustment will generally be performed (if needed) in April and October. However, under exigent circumstances, the fire chief may request that the board of fire commissioners adjust the budget at any time.

Adjustment of individual expense line items are identified based on greater than anticipated expenditure or projected expenditure within the budget period. Adjustment of revenue lines are identified when additional revenue is identified (particularly if the revenue offsets a related expense). The district's finance officer enters Adopted changes in the finance and accounting system as they are identified. This entry includes the adopted amount of the line item, the adjusted amount of the line item and justification of the changes. The fire chief develops narrative report outlining the need for the budget adjustment (increases/decreases in individual lines and/or transfer between funds) with line item level detail. The Adopted changes and narrative report are submitted to the board of fire commissioners in advance of the meeting at which the budget adjustment will be considered. If the changes are adopted by the board, the finance officer enters the adjustment into the adopted budget within the finance and accounting system.

Financial Assumptions

Plans are based on assumptions about what is likely to happen. As a financial plan, the district's budget is dependent on specific assumptions related to the economy, revenue, expense, and debt.

Development of financial assumptions is a key element in Central Whidbey Island Fire & Rescue's (CWIFR's) long-term financial planning process. These assumptions provide a foundation for the district's long-term financial plan and serve as guidance in development of the annual budget. Detailed explanation of these financial assumptions is presented in the summary of the district's *Integrated Comprehensive Plan Volume 5-Long Term Financial Plan* (CWIFR, 2020a) included in this budget document (Appendix C).

To provide a common framework for the context of financial planning assumptions, short-term refers to the next year to year and a half, but not beyond two years. Mid-term refers to a year and a half to five years, and long term refers to five to ten years in the future (the duration of the district's long-term financial plan). Short-term assumptions have a direct impact on budget development while mid- and long-term assumptions provide critical context.

Overview of Budget Structure

The Washington State Auditor prescribes budgeting, accounting and reporting requirements for all local governments (RCW 43.09.200). The *Washington State Budgeting, Accounting, and Reporting System (BARS) Manual for Cities, Counties, and Special Purpose Districts (Cash Basis)* (SAO, 2020) includes a uniform chart of accounts, accounting and budgeting policies, guidance for preparing financial statements and instructions for preparing supplemental schedules required as part of the annual report to the State Auditor (RCW 43.09.230).

The Washington State BARS is designed to allow formal integration of budgeting and accounting for all fund types in a governmental accounting system. The district prepares a comprehensive budget document including all anticipated resources and outlays on an annual basis, including those funds for which appropriated budgets are not required (e.g., compensated absences fund).

Funds

A fund is an accounting entity with its own self-balancing set of accounts recording cash and/or other sources of revenues against expenditures for specific activities. Managerial/internal funds are used for internal budgeting and are rolled up into the general fund for purposes of budgeting and reporting system (BARS) reporting. The district's finances are allocated to the following funds:

- **General Fund:** The principal operating fund, which is supported by taxes, fees, and other revenues that may be used for any lawful purpose. The fund of the district that accounts for all current expenditures (e.g., personal services, materials and services) not specifically accounted for in other funds.

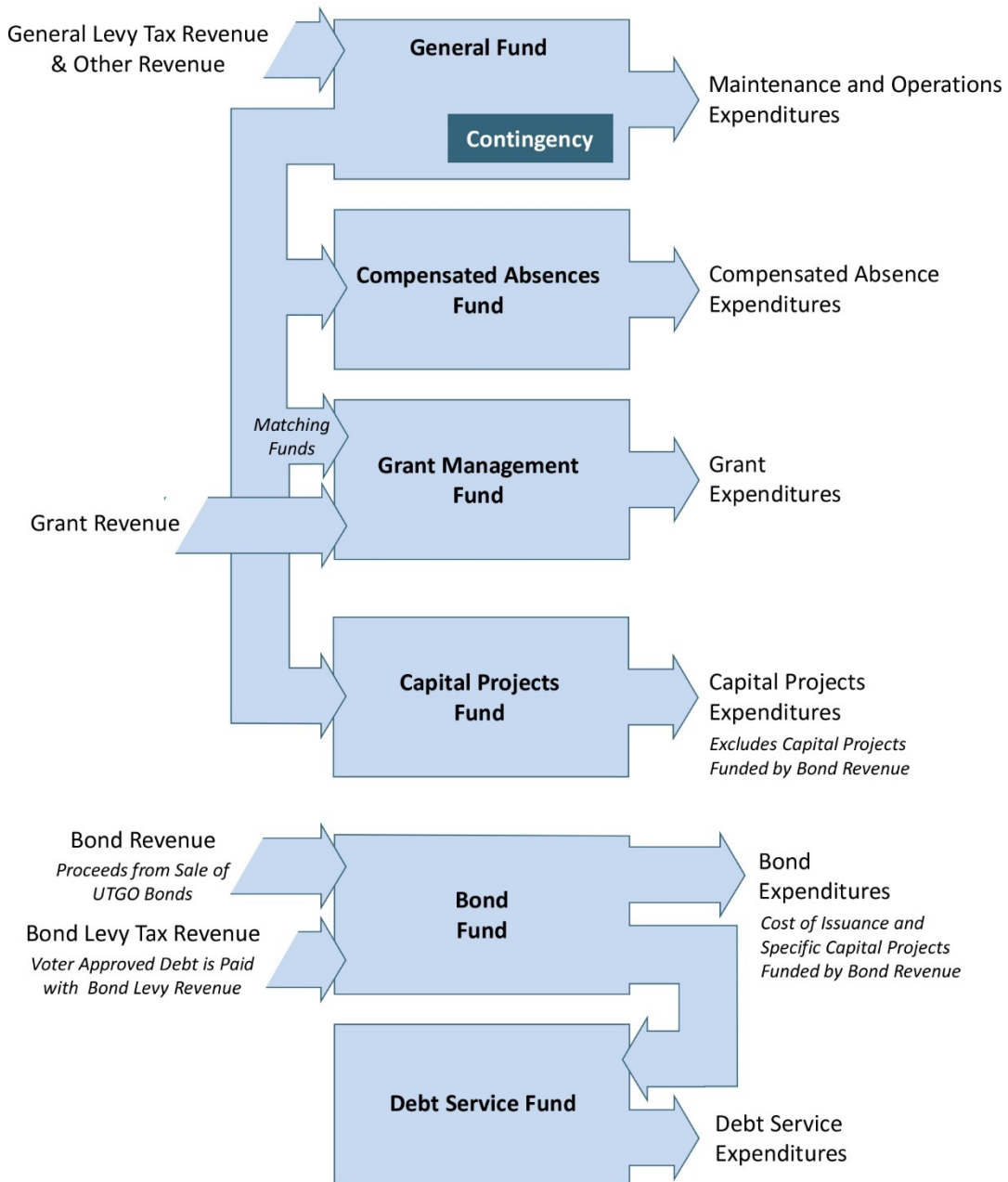
Included within the general fund, **contingency** is a line item (within the general fund) for emergencies or unforeseen expenditures not otherwise budgeted. CWIFR endeavors to maintain the Contingency at 10% of the operating budget.

- **Compensated Absences Fund:** This fund is used to account for assets held by the district for buyback of accrued annual leave and in the case of executive staff, a specified percentage of unused sick leave from employees at the time of their separation from the district (e.g., retirement). For budgetary reporting within the context of BARS, this managerial fund is rolled up into the general fund.
- **Capital Projects Fund:** A fund established to accumulate assets for future capital purchases and for current capital expenditures. Capital expenditures are for items having a cost greater than \$5000 and a service life of greater than one year (e.g., major equipment, fire apparatus, and fire stations).
- **Bond Fund:** A fund established with the proceeds from sale of unlimited tax general obligation (UTGO) bonds to fund specific capital projects (e.g., renovation and expansion of Station 53 and purchase of three type one (structural) fire engines). Use of a separate fund for these capital projects facilitates accounting for bond revenue, interest, and expenditures and simplifies required compliance reporting.

- **Debt Service Fund:** A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- **Grant Management Fund:** A fund established with a contribution of assets from the state or federal government that are to be used for a specified purpose, activity, or facility. Assets in this fund are maintained in a non-interest-bearing account in compliance with federal grant requirements. For budgetary reporting within the context of BARS, this managerial fund is rolled up into the general fund.

Figure 19 illustrates the relationship between revenue, funds, and expenditures.

Figure 19. Overview of Fund Relationships



Divisions

The district's operating budget is organized in accordance with the Washington State Budgeting, Accounting, and Reporting System (BARS) as prescribed by the Washington State Auditor, and as such, includes the following divisions⁴:

- **Administrative:** Functions or activities related to the leadership and management necessary to ensure effective and efficient delivery of services to the community. Within the budget, this division also includes activities of a general nature associated with multiple service functions (e.g., postage, information technology services, telecommunications).
- **Operations:** Functions and/or activities related to fire suppression, medical, and rescue services.
- **Life-Safety & Community Risk Reduction (CRR):** Functions and/or activities related to reducing risk of harm and preventing loss of life because of fire, accident, illness, and other types of emergencies.
- **Recruitment & Training:** Functions and/or activities related to training, professional development, and recruitment.
- **Facilities:** Functions and/or activities related to rental, repair, operation, and maintenance of land and buildings and equipment related to fixed facilities (e.g., heating, ventilating, and air conditioning systems (HVAC), water systems, electrical backup generators).
- **Fleet Maintenance:** Functions and/or activities related to maintenance and repair of vehicles and other portable equipment.

Divisions and Funds

All divisions are included in the general fund budget. In addition, divisions may have expenditures in other funds. Table 12 illustrates the allocation of budgeted expenditures by division with each Fund for the 2021 budget year.

⁴ Given the district's small size, these divisions are budgetary and not completely organizational (e.g., some members have functional responsibility for a division (e.g., Operations, Facilities), but work within the Administrative or Life Safety/community risk reduction Division. In other cases, a Division is staffed by a single individual (e.g., Recruitment & Training, Fleet Maintenance).

Table 12. 2021 Division/Fund Matrix

| Division | Fund | | | | | |
|------------------------|--------------|------------------|-----------|-------------------|--------------|----------------------|
| | General Fund | Capital Projects | Bond Fund | Grants Management | Debt Service | Compensated Absences |
| Administrative | ◆ | | | | ◆ | |
| Operations | ◆ | | ◆ | | | |
| Life Safety/CRR | ◆ | | | | | |
| Training & Recruitment | ◆ | | | | | |
| Facilities | ◆ | ◆ | ◆ | | | |
| Fleet Maintenance | ◆ | ◆ | | | | |

Note: Contingency is not allocated to a specific division; use of this line within the general fund is limited to transfers to other funds as approved by the board of fire commissioners.

Expenditure Categories

There are three major categories of expenditure by the district:

- Personal Services:** This category includes all expenditures related to our members serving the community. This category may be subdivided into wages and benefits.

Wages: Wages includes the salaries of our full-time employees, overtime paid to non-exempt, full-time employees, hourly wages paid to part time employees, and stipends paid to our volunteer members.

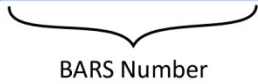
Benefits: Benefits include medical and dental insurance for our full-time employees, retirement benefits, social security (this does not apply to employees in the Law Enforcement Officers and Firefighters (LEOFF) pension system) and Medicare.
- Materials & Services:** This category includes all expenditures other than personal services or capital projects. This includes tools and equipment (costing less than \$5,000), expendable supplies, and purchased services.
- Capital Projects:** This category includes items with a purchase price of greater than \$5,000 and a useful life of greater than one year. Major capital items include (but are not limited to) real property, fire apparatus and other vehicles, communications system projects, and information technology infrastructure.

Budget Layout & BARS Numbers

The layout of the budget includes major categories of expenditure, the Washington State Auditor's budgeting and reporting system (BARS) number (for internal reference), and line item description as well as the actual expenditure (two years prior), adjusted budgeted amount (prior year), and budgeted amount (budget year) as illustrated in Figure 20.

Figure 20. Budget Layout

| Budget Category Description | | | | | Two Years Prior | Prior Year | Budget Year |
|-----------------------------|----|----|----|-----------------------|-----------------|------------|-------------|
| 522 | XX | XX | XX | Line Item Description | \$XX,XXX | \$XX,XXX | \$XX,XXX |



Understanding BARS Numbers

- 522 First Three Digits Identify the Code for Fire Protection
- XX The Second Two Digits Specify the Division (Administration, Operations, etc.)
- XX The Third Two Digits Specify the Character of the Expenditure
- XX The Last Two Digits Identify the Specific Line Item

Basis of Budgeting and Accounting

The Washington State Auditor is required by law to prescribe budgeting, accounting, and reporting requirements for local governments. The *Washington State Budgeting, Accounting, and Reporting System (BARS) Manuals* (SAO, 2020) include the prescribed uniform charts of accounts, accounting and budgeting policies, guidance for preparing financial statements and instructions for preparing supplemental schedules required as part of local government annual reports.

Under authority of *Revised Code of Washington (RCW) 43.09.200*, the Washington State Auditor allows local governments the option to report on either a generally accepted accounting principles (GAAP) or cash basis. This option was provided by the legislature in recognition of the amount of effort and resources required for small local governments to fully comply with the requirements of GAAP. Many large local governments report financial information in accordance with GAAP. All other local governments report on a cash basis as prescribed in the budgeting, accounting, and reporting system (BARS) manuals which provide an acceptable alternative to GAAP (SAO, n.d.).

As a fire protection district, CWIFR is permitted by the Washington State Auditor to use cash basis accounting as an other comprehensive basis of accounting (OCBA) (RCW 43.09.020; SAO, 2016). The district has determined that use of cash basis of accounting, rather than accrual accounting as required by GAAP, provides acceptable transparency and most effective use of the district’s fiscal and administrative resources. With cash basis accounting, the district records revenue when revenue is received, and records expenses when they are paid.

The district’s budget process recognizes property tax revenue on an accrual basis and estimates revenue from other miscellaneous sources. However, as the district uses cash basis accounting, these revenues are only recognized when received.

Balanced Budget

The district maintains a balanced budget, as appropriations are limited to the total of estimated revenues and the unencumbered fund balances estimated to be available at the close of the current fiscal year as required by *Revised Code of Washington (RCW) 52.16.070*. The total ending balance is anticipated to decrease because of increasing general fund expenses and constitutional limitations on increases in tax revenue. Several options exist to maintain current service levels beyond 2028 while maintaining a balanced budget:

- Limit increases in expense. The district's budget process provides a solid system for ensuring that changes in expense are tied to specific strategic goals, initiatives, and related outcomes. Limited increases over the last several years have significantly improved the district's financial position.
- Identify and develop additional revenue streams. The district continues to explore opportunities to develop additional revenue through Interlocal agreements and shared services.
- Determine at what point it will be necessary to present a lid lift to the district's voters. As intended by the *Washington State Constitution* and related laws regarding property tax limitations, the district's voters have the authority to increase the levy rate to maintain or improve service levels.

Integrated Comprehensive Plan Volume 5-Long-Term Financial Plan (CWIFR, 2020) examines these options in detail and provides a clear plan of action to maintain services and a balanced budget. The long-term financial plan is summarized in Appendix C of this budget document.

Financial Assumptions Used in the Budget Process

Development of financial assumptions is a key element in Central Whidbey Island Fire & Rescue's (CWIFR's) long-term financial planning and budget processes. This section of the budget document examines financial assumptions that directly influenced development of the district's 2021 Adopted budget. Detailed explanation of these financial assumptions and supporting data are presented in the summary of the district's *Integrated Comprehensive Plan Volume 5-Long Term Financial Plan* (CWIFR, 2020a) which is summarized in Appendix C of this budget document.

Economy

A global recession began in February 2020 because of the COVID-19 pandemic. Recovery from this recession will likely begin in late 2020 or early 2021 with slow recovery over the next 12 to 36 months (Congressional Budget Office, July 2020). Island County's recovery from previous recessions has lagged Washington state and the nation and it is anticipated that this will be the case with the current recession. However, real estate values have continued to increase despite the recession and the real estate market will continue to be strong with increasing property values and assessed valuation within the district.

Revenue

The district is primarily funded through property taxes. Increases in the general levy are limited to 1% annually by the *Washington State Constitution*; provided that the district's levy rate is below the \$1.50 maximum for fire districts established in the *Revised Code of Washington (RCW) 52 Fire Protection Districts*. In addition to the permitted 1% increase, the district receives additional revenue based on value of new construction (not previously on the tax rolls). As the district's levy rate in 2020 is \$1.13/\$1000 assessed valuation (AV) and assessed valuation is projected to increase in 2021, the district anticipates a modest increase in tax revenue in 2021.

The district's second largest revenue stream has been charges for service through interlocal agreements. Historically this has included the Whidbey Island Public Hospital District (dba WhidbeyHealth), the Town of Coupeville, and Island County. It is anticipated that these revenue streams will continue at their current level in 2021. In 2020, the district also entered interlocal agreements with the Washington State Patrol (WSP) fire marshal's office and Washington Department of Natural Resources (DNR) for all-hazards mobilization and wildland firefighting. While the district has limited history on revenue from the interlocal agreements with the WSP and DNR it is likely that revenue in 2021 will be like that received in 2020.

Expense

The district's long-term financial plan is based on an anticipated 3% average annual increase in expense (CWIFR, 2020a), which cannot be met in the long-term without voter approved tax revenue increases. However, increased revenue has allowed the district to offset expenditures to improve service levels while maintaining a net increase in expenditure of less than 3% annually. In addition, higher than

budgeted ending general fund balances have allowed the district to extend the timeframe at which a voter approved lid lift would be required to maintain service levels.

Debt

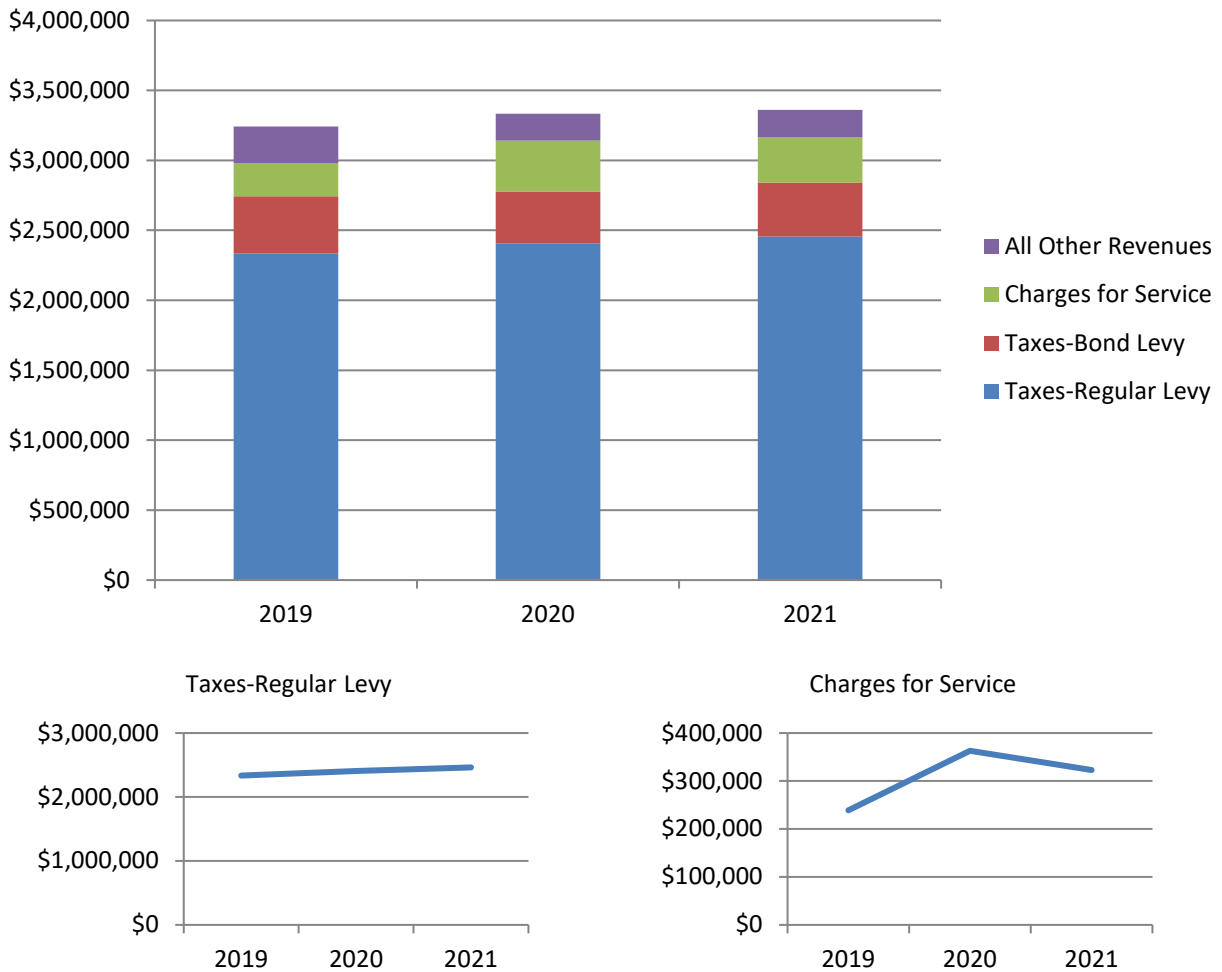
In 2017, the voters approved an unlimited tax general obligation bond for fire station renovation and expansion and purchase of three type one (structural) fire engines. This voter approved bond reduced pressure on the general fund for capital expenditures and is funded by a bond levy that is separate from the general levy that funds district operations. The district does not anticipate any additional voter approved or councilmatic (non-voter approved) debt in the near- to mid-term.

Revenue

Overview

Taxes from the regular and bond levies are CWIFR’s largest funding streams, comprising 79.96% of total district revenue. CWIFR also has interlocal agreements to provide service to WhidbeyHealth, the Town of Coupeville, Island County, Washington State Patrol, Department of Natural Resources, and Washington Military Department (emergency management) which comprise 9.07% of total district revenue. Approximately 5.84% of district revenue is generated from a variety of other sources (e.g., such as investment interest, payments in lieu of taxes, space and facilities rent, grants, and sale of surplus assets). Figure 21 illustrates CWIFR’s overall revenue distribution and trends and Table 13 provides additional detail on revenue distribution.

Figure 21. 2018-2020 Revenue Distribution and Trends



As illustrated in Figure 21, budgeted revenue from charges for service is lower in 2021 than 2020. This change is due to adding a new revenue stream for all-hazards mobilization revenue in 2020. Revenue from all-hazards mobilization was budgeted conservatively as being less than in 2020 as revenue is dependent on the number and duration of mobilizations for in-state or out-of-state major incidents.

Table 13. Revenue Distribution Detail

| Revenue Stream | 2019 | 2020 | 2021 | Percent |
|-------------------------|--------------------|--------------------|--------------------|-------------|
| Taxes-Regular Levy | \$2,335,038 | \$2,405,684 | \$2,455,509 | 68.96% |
| Taxes-Bond Levy | \$408,389 | \$372,700 | \$385,300 | 10.82% |
| Charges for Service | \$238,907 | \$363,000 | \$323,000 | 9.07% |
| All Other Revenues | | | | |
| Miscellaneous Revenue | \$241,134 | \$160,768 | \$184,830 | 5.28% |
| State Generated Revenue | \$7,641 | \$30,134 | \$8,000 | 0.22% |
| Other Revenue | \$10,107 | \$2,500 | \$2,500 | 0.07% |
| Total | \$3,500,099 | \$3,528,189 | \$3,560,722 | 100% |

Tax Revenue

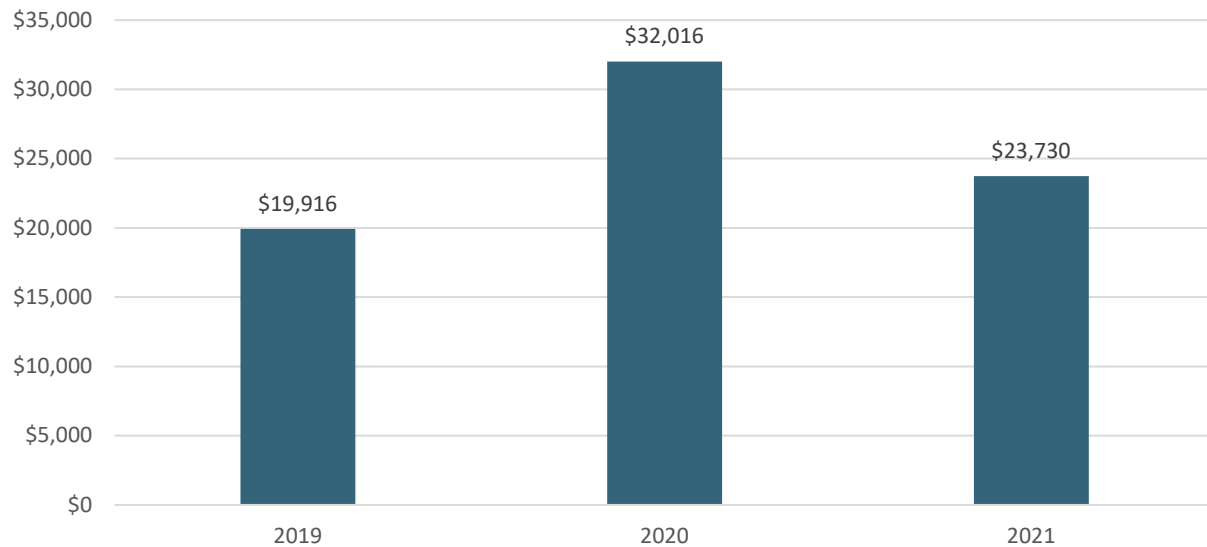
The *Washington State Constitution* and related laws strictly limit the amount of property tax that local taxing districts can levy. While tax limitations are complex, there are two particularly important limitations for fire districts. First is *Initiative 747*, passed by the state's voters in 2001 which changed the state constitution to limit annual increases in property taxes levied to 1%, plus revenue from new construction added to the tax rolls in the previous year (*Washington State Constitution Amendment 95 Article 7 Section 2*). The second important limitation is the maximum regular tax rate for fire districts specified by state law. The *Revised Code of Washington (RCW)* limits fire districts to a maximum regular property tax rate of \$1.50/1,000 of Assessed Value (AV) (RCW 52.16.130, 140, 160).

Central Whidbey Island Fire & Rescue's (CWIFR's) annual property tax levy is distributed across all taxable property within the district. The district's levy rate increases or decreases depending on several factors. New construction adds to the total value of taxable property within the district, further dividing CWIFR's tax levy and lowering the tax rate. Property values also impact tax rate. If assessed property values increase, CWIFR's tax levy is divided by this greater value and the tax rate decreases. On the other hand, if assessed property values decrease, CWIFR's tax levy is divided by this smaller value and the tax rate increases (while the total levy remains the same). If assessed property value decreases further, and the district's levy rate reaches the statutory cap of \$1.50/1,000, revenue will decrease.

The rationale behind the tax structure in the state constitution and related laws is that the costs of delivering essential services such as fire protection, rescue, and emergency medical care is not based on the property values. Cost is based on level of service desired by the community, with the shared cost based on property value.

The district's assessed value (AV) for 2020 tax collection was \$2,131,619,126 which at a levy rate of \$1.23/1,000 AV provided a total property tax levy of \$2,405,684. The total property tax levy can increase a maximum of 1% plus the value of new construction.

Figure 22. New Construction Revenue 2019-2021



Note: 2021 new construction revenue for 2019 and 2020 is actual, new construction revenue for 2021 is estimated.

Increased assessed valuation (AV) of existing property and addition of substantive new construction value to the tax rolls has had a positive impact by reduction of the district's levy rate from a high of \$1.38/\$1000 AV in 2014 to \$1.13/\$1000 AV in 2020. The 2020 levy rate is anticipated to be \$1.09, but will not be determined until late in the fourth quarter of 2020.

Interlocal Agreements

CWIFR has several interlocal agreements under which the district provides services to other governmental entities. These include:

- Agreement for operation of a basic life support (BLS) ambulance for WhidbeyHealth Emergency Medical Services (WH EMS),
- Agreements with both the Town of Coupeville and Island County to provide fire and life safety inspection services in commercial occupancies.
- Agreements with the Washington State Patrol (fire marshal's office) for in-state all hazards mobilization and Washington Department of Emergency Management for interstate all hazards mobilization.
- Agreement with the Washington Department of Natural Resources for wildland firefighting.

Table 14 illustrates the district's revenue received and projected for receipt from interlocal agreements.

Table 14. Revenue from Interlocal Agreements

| Interlocal Agreement | 2019 Actual Revenue | 2020 Adjusted Revenue | 2021 Projected Revenue |
|--------------------------------|------------------------|--------------------------|---------------------------|
| WH EMS | \$201,495 | \$221,124 | \$280,000 |
| WSP All Hazards Mobilization | \$0 | \$63,000 | \$10,000 |
| WA DNR Wildland Firefighting | \$0 | \$7,000 | \$5,000 |
| WA DEM EMAC | \$0 | \$0 | \$15,000 |
| Coupeville Fire Inspections | \$7,144 | \$8,000 | \$8,000 |
| Island County Fire Inspections | \$0 | \$8,000 | \$2,000 |

The agreements with WSP, WA DNR were entered in mid-2020. The agreement with WA DEM was entered in late-2020. These three agreements provide for services on an as needed basis and the district has limited history on which to project future revenue. However, given the increasing severity of wildfires in the western United States it is likely that demand for both in-state and interstate mobilizations will continue.

Other Revenue

In addition to tax receipts and revenue generated from services provided through Interlocal agreements, Central Whidbey Island Fire & Rescue (CWIFR) has multiple small revenue streams. These include payments in lieu of taxes paid by the Coupeville School District and Washington State Parks, revenue from lease of cell tower space at Station 53, proceeds from the sale of non-capital and capital assets declared surplus by the board of fire commissioners, and other miscellaneous revenues.

Revenue Impacts

While predominately dependent on property tax revenue, addition of all-hazards mobilization, wildland firefighting support, and Emergency Management Assistance Compact (EMAC) interlocal agreements in 2020 slightly diversified the district's revenue streams. This new revenue stream plus additional new construction assessed valuation added to the tax rolls have improved the district's current financial position.

General Fund

General Fund Overview

The general fund is the district's principal operating fund, which is supported by taxes, fees, and other revenues that may be used for any lawful purpose. This fund accounts for all current expenditures (e.g., personal services and materials and services) not specifically accounted for in other funds.

In accordance with the Washington State Auditor's budgeting, accounting, and reporting system (BARS), the district's general fund is subdivided into divisions. These divisions are functional and serve to clearly describe the purpose of appropriated funds.

As discussed in the budget message and illustrated in Table 15, the 2021 Adopted district budget is 3.65% higher than in 2020. This increase includes:

- A full year of compensation for one full-time firefighter/emergency medical technician (this position was added late in the second quarter of 2020).
- Compensation increases for the district's part-time staff, full-time staff represented by Local 4299 International Association of Firefighters, and executive staff.
- Increased expense related to all-hazards and emergency management assistance compact (EMAC) mobilization, and wildland firefighting support to the Washington Department of Natural Resources.

The magnitude of this increase must be considered in light of increased revenue provided by the district's interlocal agreement with the Washington State Patrol, Washington Military Department (emergency management), and Washington Department of Natural Resources. These interlocal agreements are projected to result in a revenue increase of \$30,000 with a corresponding \$15,000 increase in expense, providing a net gain in revenue of \$15,000. This results in a net increase in the Adopted budget of 2.51%. General fund expense can be examined by division (Table 15 and Figure 23) or by distribution between personnel costs (e.g., salaries, benefits, wages, and stipends), and materials and services (Table 16 and Figure 24).

Table 15. General Fund Budget by Division

| Division | 2019 Actual | 2020 Adjusted | 2021 Adopted | Change | Distribution |
|------------------------------|--------------------|--------------------|--------------------|--------------|----------------|
| Administration | \$622,613 | \$621,799 | \$666,672 | 7.22% | 24.44% |
| Operations | \$352,558 | \$528,593 | \$514,693 | -2.63% | 18.87% |
| Community Risk Reduction | \$783,546 | \$999,260 | \$1,063,432 | 6.42% | 38.98% |
| Training | \$177,609 | \$211,941 | \$203,616 | -3.93% | 7.46% |
| Facilities | \$66,729 | \$97,673 | \$97,550 | -0.13% | 3.58% |
| Fleet Maintenance | \$164,871 | \$172,697 | \$181,991 | 5.38% | 6.67% |
| Total District Budget | \$2,167,925 | \$2,631,964 | \$2,727,955 | 3.65% | 100.00% |

Figure 23. Overview of General Fund Expense by Division

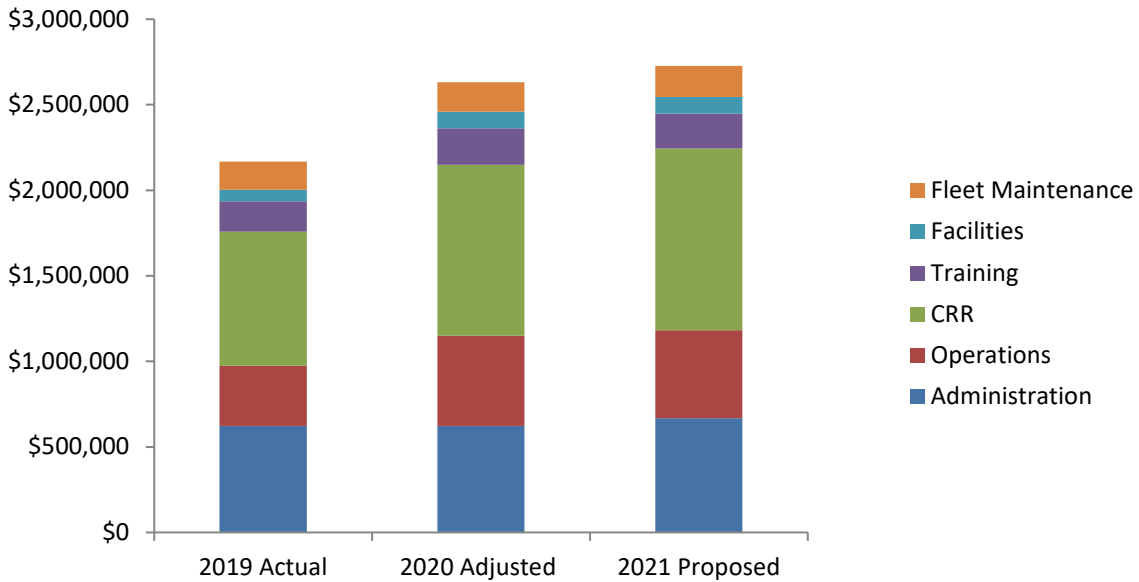
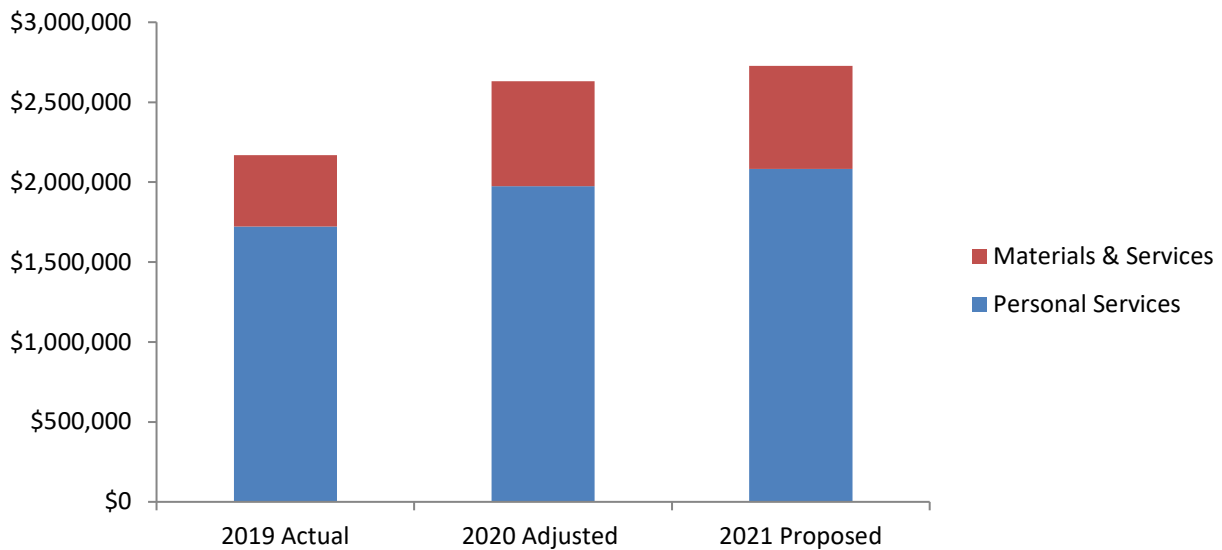


Table 16. General Fund Expense by Category Detail

| Expense | 2019 Actual | 2020 Adjusted | 2021 Adopted | Change | Distribution |
|------------------------------|--------------------|--------------------|--------------------|--------------|----------------|
| Personal Services | \$1,721,994 | \$1,974,199 | \$2,082,816 | 5.50% | 76.35% |
| Materials & Services | \$445,931 | \$657,764 | \$645,139 | -1.92% | 23.65% |
| Total District Budget | \$2,167,925 | \$2,631,964 | \$2,727,955 | 3.65% | 100.00% |

Figure 24. General Fund Expense by Category



Administrative Division

The administrative division provides leadership and management necessary to ensure effective and efficient delivery of services to the community.

The administrative division is responsible for the following major programs and functions.

- Strategic planning
- Accreditation
- Budgeting and fiscal management
- Human resources

Personnel Summary

Administrative division staffing is comprised of three and three-quarters full-time equivalents (FTE); the fire chief, deputy chief, finance officer, and administrative assistant/fiscal specialist and a volunteer geographic information specialist. The fire chief and deputy chief also have operational responsibility, but from a budget perspective are accounted for within the administrative division.

In the fourth quarter of 2020, the district developed a classification specification for administrative assistant/fiscal specialist, to provide redundancy in the payroll and accounts payable functions. Previously, the district's finance officer was solely responsible for processing payroll and accounts payable, presenting a continuity of operations risk in the event of illness or injury. The incumbent office assistant was reclassified as administrative assistant/fiscal specialist.

Strategic Goals

While the administrative division has an overall responsibility for implementation of the district's strategic plan, the following goals are of significance to this division.

- Be fiscally responsible and operate with transparency.
- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.
- Ensure adequate and sustainable funding.

In addition, the administrative division directly supports the district's strategic goals to

- Reduce incident frequency and severity.
- Ensure adequate staffing.
- Maintain adequate infrastructure to support operations.

Performance Measures

Table 17 identifies the administrative division's strategic performance measures. Performance measures shaded light yellow are Adopted (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the district's performance management processes.

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Table 17. Administrative Division Performance Measures

| Community Perspective | | | | | |
|--|--|--|----------|---------|----------|
| Strategic Goal | Outcome Measure | District Performance | | | |
| The Administrative Division has no Performance Measures in the Community Perspective | | | | | |
| Fiscal Stewardship Perspective | | | | | |
| Strategic Goal | Outcome Measure | District Performance | | | |
| Be fiscally responsible and operate with transparency | Percentage change in beginning fund balance for: <ul style="list-style-type: none"> • General fund • Capital projects fund • Compensated absences fund | Year | 2017 | 2018 | 2019 |
| | | General fund | 6.59% | 9.23% | 9.41% |
| | | Capital projects fund | 25.08% | 6.53% | 6.61% |
| | | Compensated absences fund | 7.33% | 5.84% | 41.39% |
| | Expenditure, operating position, debt, and unfunded liabilities indicators from <i>Brown's 10 Point Test</i> (Maher, C. & Nollenberger, K., 2009). <ul style="list-style-type: none"> • Total expenditure per capita (Expenditure Indicator-Brown's 10 Point Test) • Operating surplus or deficit/operating revenues percentage (operating position indicator-Brown's 10 Point Test) • General fund balance/general fund revenues percentage (operating position indicator-Brown's 10-Point Test) • Long term debt/assessed value (AV) percentage (debt indicator-Brown's 10 Point Test) • Debt service/operating revenues percentage (debt indicator-Brown's 10 Point Test) • % fully funded contingency • % fully funded capital projects fund • % fully funded compensated absences fund (unfunded liability indicator-Brown's 10 Point Test) | Year | 2017 | 2018 | 2019 |
| | | Expenditure/capita | \$244.68 | 247.32 | \$259.41 |
| | | Cash flow/revenue | 19.74% | 10.08% | 10.74% |
| | | GF balance/revenue | 110.02% | 119.97% | 120.15% |
| | | LT Debt/AV | 4.44% | 0.38% | 0.35% |
| | | Debt service/operating revenue | n/a* | 12.06% | 11.22% |
| | | % funded contingency | 100% | 100% | 100.00% |
| | | % funded capital | 44.47% | 123.14% | 123.14% |
| | | % funded compensated absences fund | 11.31% | 11.31% | 30.21% |
| | | * Debt service on the district's unlimited tax general obligation (UTGO) bond began in 2018. | | | |

Table 17. Administrative Division Performance Measures (Continued)

| Fiscal Stewardship Perspective (Continued) | | | | | | |
|--|--|---|------------------|------|------|------|
| Strategic Goal | Outcome Measure | District Performance | | | | |
| Be fiscally responsible and operate with transparency | Website self-assessment transparency score (special district transparency checklist) | Year | 2018 | 2019 | 2020 | |
| | <ul style="list-style-type: none"> • District overview • Authorizing statute • Budget • Meetings • Elected officials | <ul style="list-style-type: none"> • Administrative officials • Audits • Procurements/contracts • Public records • Revenue | Web Transparency | 90% | 90% | 100% |
| | Discussion: The district continues to work towards improvement of transparency. Update and revision of the district’s website in 2020 provided a one-stop-shop for transparency data to simplify public access to this information. | | | | | |
| | Achievement of the Government Finance Officers distinguished budget presentation award. | Year | 2018 | 2019 | 2020 | |
| | | Receiving award | Yes | Yes | Yes | |
| | Successful bi-annual financial audit by the State Auditor. <i>Financial and accountability audits are conducted on a biannual basis for preceding two years.</i> | Year | 2015 | 2017 | 2019 | |
| | Successful audit | Yes | Yes | Yes | | |
| Discussion: The district successfully completed its financial audit addressing 2017 and 2018 in 2019 and is scheduled for its next audit in 2021. | | | | | | |
| Be fiscally responsible and operate with transparency | General obligation bond rating (Standard & Poor’s). | Year | 2018 | 2019 | 2020 | |
| | | Bond rating | AAA | AAA | AAA | |
| | Discussion: The district received a bond rating of AAA by Standard and Poor’s in December of 2017 and continues to maintain this rating. This AAA rating reflects the district’s strong financial position, sound financial policies, and demonstrated fiscal responsibility. | | | | | |

Table 17. Administrative Division Performance Measures (Continued)

| Internal Process Perspective | | | | | |
|--|--|----------------------|---------|--------|--------|
| Strategic Goal | Outcome Measure | District Performance | | | |
| Identify and apply best practice to achieve continuous improvement to maximize effectiveness, efficiency, and value | Achievement of Accreditation from the Commission on Fire Accreditation International (CFAI) | Year | 2018 | 2019 | 2020 |
| | | Accredited agency | No | No | No |
| | Discussion: The district currently has registered agency status and will consider moving to applicant agency status when fully compliant with all core competencies for accreditation. | | | | |
| | Progress towards accreditation as indicated by: | Year | 2018 | 2019 | 2020 |
| | <ul style="list-style-type: none"> Percentage completion of the Commission on Fire Accreditation International (CFAI) Fire and Emergency Services Self-Assessment (FESSAM) Percentage compliance with CFAI core competencies and performance indicators. | FESSAM completion | No Data | 56.35% | 56.35% |
| | Core competencies | No Data | 52.94% | 52.94% | |
| | Performance indicators | No Data | 29.97% | 29.97% | |
| | Total | No Data | 64.68% | 64.68% | |
| Discussion: The COVID-19 pandemic placed a hold on completing the CFAI Fire and Emergency Services Self-Assessment (9 th edition) with 56.35% of performance indicator and core competency narratives completed as of budget preparation. Completion of description, assessment, and plan for each performance indicator and core competency will aid the district in bringing work practices, documentation, and performance into compliance with these criteria. As the CFAI will require compliance with the 10 th edition of the <i>Fire and Emergency Services Self-Assessment</i> , some revision will be necessary as the district resumes this process. | | | | | |

Table 17. Administrative Division Performance Measures (Continued)

| Internal Process Perspective (Continued) | | | | | |
|---|--|--|----------|----------|----------|
| Strategic Goal | Outcome Measure | District Performance | | | |
| Identify and apply best practice to achieve continuous improvement of maximize effectiveness, efficiency, and value | Case examples of best practice implementation [QUALITATIVE] | <p>Chief Hartin served on the revision team for the 10th Edition of the <i>Fire and Emergency Services Self-Assessment</i> as a subject matter expert in category 4 financial practices.</p> <p>The district developed and entered interlocal agreements with two neighboring agencies for joint staffing of fire apparatus for all hazards and emergency management assistance compact mobilization.</p> | | | |
| Resource Perspective | | | | | |
| Strategic Goal | Outcome Measure | District Performance | | | |
| Ensure adequate and sustainable funding | General fund beginning balance as a percentage of budgeted general fund expenses. | Year | 2017 | 2018 | 2019 |
| | | GF beginning balance/expense | 129.81% | 134.37% | 135.36% |
| | Revenue Indicators from <i>Brown's 10 Point Test</i> (Maher, C. & Nollenberger, K., 2009) and Levy Rate Indicator. | Year | 2017 | 2018 | 2019 |
| | <ul style="list-style-type: none"> Total revenue per capita (Revenue Indicator-Brown's 10 Point Test) Intergovernmental revenues/total revenues percentage (Revenue Indicator-Brown's 10 Point Test) Property tax/total revenues percentage (Revenue Indicator-Brown's 10 Point Test) Actual levy rate/ maximum levy rate (\$1.50 (Operating Position Indicator added to the 10 Point Test⁵)) | Revenue/capita | \$304.84 | 348.23\$ | \$370.82 |
| | | Intergovernmental revenues/total revenues | 8.49% | 6.96% | 7.37% |
| | | Property tax/total revenues | 89.67% | 73.83% | 72.04% |
| | | Actual levy rate/maximum levy rate | 89.73% | 87.09% | 82.00% |

⁵ The enterprise fund operating position indicator in *Brown's 10 Point Test* is not used (as the district does not have enterprise funds). The percentage of maximum levy rate has been substituted as a relevant operating position indicator.

Accomplishments

Major administrative accomplishments in 2020 included the following:

Recreation and update of standard operating guidelines lost in the district's November 2018 cyber-attack.

- ***Financial Practices Standard Operating Guidelines (SOGs)***: Redevelop SOGs addressing use of district resources, revenue, investment, financial reserves, debt, grants & grant management, financial risk management, transparency and accountability, and general financial guidance. This accomplishment addressed the district's strategic goal to be fiscally responsible and operate with transparency. In addition, this accomplishment will support achievement of CFAI accreditation criterion 4B financial practices (performance indicators 4B.9 grant program policies and 4B.10 fee policies) (CPSE, 2015).
- ***Administrative Support Services SOG***: Redevelop SOGs addressing dissemination and release of information to the public and the maintenance, availability, retention, and destruction of district records in accordance with local, state, and federal legal mandates. This accomplishment will address the district's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this accomplishment will support achievement of CFAI accreditation criterion 9C administrative support services (performance indicators 9C.4 public information and 9C.7 public records) (CPSE, 2015).
- ***SOG Recovery***: Some SOGs lost in the November 2018 cyberattack were preserved in hard copy format despite the loss of electronic documents. These SOGs were recreated in electronic format. As these SOGs addressed a variety of topics across multiple divisions, this accomplishment addressed multiple strategic goals and CFAI performance indicators and critical criterion.

Following the 2018 cyberattack, the district implemented an improved backup strategy for electronic documents as well as maintaining hard copy and/or electronic copy separated with an air gap from the district's network and internet access to minimize risk and potential impact to district operations and productivity.

The administrative division also accomplished the following new projects in 2020.

- ***Interlocal Agreements***: The district entered interlocal agreements with the Washington State Patrol (WSP) for all-hazards mobilization, Washington Department of Natural Resources (WA DNR) for wildland mutual aid, and with North Whidbey Fire and Rescue and Camano Fire Department for joint staffing for mobilization and WA DNR mutual aid response. In addition, the district successfully renegotiated an extension of its interlocal agreement with WhidbeyHealth for staffing and operation of a basic life support (BLS) ambulance. These accomplishments addressed the district's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this accomplishment supported achievement of CFAI accreditation criterion 10A external agency relationships (core competency 10A.1 defined relationships and strategies) (CPSE, 2015).

- **Washington Survey and Rating Bureau:** The district completed the re-rating process for the Town of Coupeville and unincorporated areas of Island County within the borders of the district. This accomplishment addressed the district's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project indirectly supported CFAI accreditation criterion 9A water supply (performance indicators 9A.3 coordination with water systems managers, 9A.4 water supply maps, 9A.5 hydrant flow and distribution, 9A.6 hydrant visibility, and 9A.7 assessment of hydrant testing & maintenance) (CFAI, 2015).
- **Member Assistance Program:** Expansion of the current program to provide members with a greater variety of avenues and assistance with mental health issues. This project will address the district's strategic goal of identifying and applying best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this accomplishment addresses CFAI accreditation criterion 7G wellness/fitness program (performance indicator 7G.4 member assistance program) (CFAI, 2015).

Projects

Major projects in 2021 include the following:

- **Assessment of Occupational Safety, Health and Risk Management:** Identify a district risk management officer; evaluate workplace hazards, document risk reduction efforts, and near-miss incident reporting. This project will address the district's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this initiative addresses Commission on Fire Accreditation International (CFAI) accreditation criterion 7F occupational safety, health and risk management (performance indicators 7F.1 health and safety officer, 7F.2 workplace hazard assessment, 7F.3 workplace risk reduction, 7F.6 near miss reporting) (CFAI, 2015).
- **Community Risk Assessment:** The district has engaged in an ongoing process of community risk assessment since 2010, with this data informing strategic planning and operational decisions. While this process will be ongoing, this project will integrate community risk assessment data into a common document supporting completion of a standard of coverage and community risk reduction plan. This project will address the district's strategic goals to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value as well as to reduce incident frequency and severity. In addition, this initiative addresses Commission on Fire Accreditation International (CFAI) accreditation criterion 2A documentation of area characteristics and 2B all-hazard risk assessment and response strategy (inclusive of all core competencies and performance indicators).
- **Standard of Coverage and Community Risk Reduction Plan:** This plan will provide a rational and systematic method of reducing and responding to the risks identified in the community risk assessment. This document will establish baseline and benchmark response performance standards, provides a basis for measuring service delivery performance, and identify strategies and performance measures for proactive risk reduction. This project will address the district's

strategic goals to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value as well as to reduce incident frequency and severity. In addition, this initiative addresses Commission on Fire Accreditation International (CFAI) accreditation criterion 2C current deployment and performance and 2D plan for maintaining and improving response capabilities (inclusive of all core competencies and performance indicators).

- **Fire & Emergency Service Self-Assessment Manual:** Finalize the written description, appraisal, and plan (single page) for remaining performance measures specified in the self-assessment manual. This project will address the district's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this initiative supports achievement of all CFAI accreditation criterion.

2021 Division Budget

In addition to expenses that are exclusively administrative in nature (e.g., finance officer's salary and benefits), the administrative division budget includes expenses that would be difficult to allocate across two or more divisions (such as the deputy chief's salary and benefits and information technology services). Table 19 outlines the administrative division budget.

Table 18. Administrative Division Budget

| Administration Salaries & Wages | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|---------------------------------|----|----|----|------------------------------|------------------|------------------|------------------|
| 522 | 10 | 11 | 01 | Fire Chief Salary | \$121,100 | \$121,100 | \$125,840 |
| 522 | 10 | 11 | 02 | Deputy Chief Salary | \$96,260 | \$96,260 | \$103,961 |
| 522 | 10 | 11 | 03 | Finance Officer Salary | \$74,858 | \$69,000 | \$73,246 |
| 522 | 10 | 11 | 07 | Command Duty Officer Stipend | \$10,726 | \$11,284 | \$11,243 |
| 522 | 10 | 12 | 04 | Office Assistant Wages | \$10,853 | \$23,275 | \$35,568 |
| 522 | 10 | 13 | 05 | Commissioner Wages | \$18,176 | \$13,338 | \$16,512 |
| 522 | 10 | 13 | 06 | District Secretary Wages | \$1,664 | \$1,872 | \$2,304 |
| 522 | 10 | 19 | 01 | Fire Chief Def Comp | \$10,899 | \$10,899 | \$11,326 |
| 522 | 10 | 19 | 02 | Deputy Chief Def Comp | \$8,663 | \$8,663 | \$9,356 |
| 522 | 10 | 19 | 03 | Finance Officer Def Comp | \$2,994 | \$2,760 | \$2,930 |
| 522 | 10 | 18 | 01 | Fire Chief Longevity | \$0 | \$3,633 | \$3,775 |
| 522 | 10 | 18 | 02 | Deputy Chief Longevity | \$0 | \$0 | \$0 |
| 522 | 10 | 18 | 03 | Finance Officer Longevity | \$3,634 | \$0 | \$0 |
| 522 | 10 | 18 | 04 | PTO/LTS Buyback | \$20,347 | \$0 | \$0 |
| Sub Total | | | | | \$380,176 | \$362,084 | \$396,061 |

Table 18. Administrative Division Budget (Continued)

| Administration Benefits | | | | | | | |
|--|----|----|----|------------------------------------|-----------------|-----------------|-----------------|
| 522 | 10 | 21 | 01 | Fire Chief (Medicare Only) | \$1,918 | \$1,976 | \$2,052 |
| 522 | 10 | 21 | 02 | Deputy Chief (Medicare Only) | \$1,545 | \$1,549 | \$1,670 |
| 522 | 10 | 21 | 03 | Finance Officer (FICA/Medicare) | \$7,493 | \$5,490 | \$5,827 |
| 522 | 10 | 21 | 04 | Office Assistant (FICA/Medicare) | \$830 | \$1,781 | \$2,721 |
| 522 | 10 | 21 | 05 | Commissioners (FICA/Medicare) | \$1,390 | \$1,020 | \$1,146 |
| 522 | 10 | 21 | 06 | District Secretary (FICA/Medicare) | \$127 | \$143 | \$176 |
| 522 | 10 | 21 | 07 | Command Duty (Medicare Only) | \$95 | \$0 | \$0 |
| 522 | 10 | 22 | 01 | Fire Chief (L&I) | \$938 | \$1,453 | \$1,061 |
| 522 | 10 | 22 | 02 | Deputy Chief (L&I) | \$626 | \$1,430 | \$786 |
| 522 | 10 | 22 | 03 | Finance Officer (L&I) | \$377 | \$399 | \$389 |
| 522 | 10 | 22 | 04 | Office Assistant (L&I) | \$119 | \$300 | \$292 |
| 522 | 10 | 22 | 05 | Commissioners (L&I) | \$26 | \$26 | \$26 |
| 522 | 10 | 22 | 06 | District Secretary (L&I) | \$3 | \$10 | \$10 |
| 522 | 10 | 22 | 07 | Command Duty (L&I) | \$9 | \$0 | \$0 |
| 522 | 10 | 23 | 01 | Fire Chief (Medical/Dental) | \$16,194 | \$16,194 | \$16,194 |
| 522 | 10 | 23 | 02 | Deputy Chief (Medical/Dental) | \$19,286 | \$22,524 | \$22,533 |
| 522 | 10 | 23 | 03 | Finance Officer (Medical/Dental) | \$15,644 | \$8,239 | \$8,239 |
| 522 | 10 | 24 | 01 | Fire Chief (LEOFF) | \$6,917 | \$7,343 | \$7,625 |
| 522 | 10 | 24 | 02 | Deputy Chief (LEOFF) | \$5,498 | \$5,706 | \$6,152 |
| 522 | 10 | 24 | 03 | Finance Officer (PERS) | \$9,970 | \$9,228 | \$9,880 |
| 522 | 10 | 24 | 05 | Office Assistant (PERS) | \$1,395 | \$3,005 | \$4,613 |
| 522 | 10 | 28 | 04 | Member Assistance Program | \$892 | \$984 | \$973 |
| Sub Total | | | | | \$91,291 | \$88,800 | \$92,368 |
| Administration Office & Operating Supplies | | | | | | | |
| 522 | 10 | 31 | 01 | Office Supplies | \$3,951 | \$5,000 | \$4,000 |
| 522 | 10 | 31 | 02 | Computer Software | \$12,762 | \$10,145 | \$10,694 |
| 522 | 10 | 31 | 04 | Uniforms - Admin & Commissioners | \$1,309 | \$2,300 | \$2,300 |
| 522 | 10 | 31 | 05 | Copy Fees | \$4,696 | \$5,400 | \$3,600 |
| 522 | 10 | 31 | 06 | Books & Publications | \$0 | \$100 | \$100 |
| 522 | 10 | 31 | 07 | Member Recognition | \$0 | \$760 | \$760 |
| Sub Total | | | | | \$22,718 | \$23,705 | \$21,454 |

Table 18. Administrative Division Budget (Continued)

2021 ADOPTED BUDGET

| Administration Small Tools & Minor Equipment (<\$5,000) | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|---|----|----|----|------------------------------------|-----------------|------------------|-----------------|
| 522 | 10 | 35 | 01 | Computer Hardware | \$4,997 | \$4,200 | \$4,200 |
| 522 | 10 | 35 | 02 | Office Equipment | \$389 | \$0 | \$0 |
| 522 | 10 | 35 | 03 | Furniture | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$5,386 | \$4,200 | \$4,200 |
| Services & Pass-Through Payments | | | | | | | |
| 522 | 10 | 40 | 01 | Non-Legislative Election Fees | \$0 | \$0 | \$0 |
| 522 | 10 | 40 | 02 | Legislative Election Fees | \$0 | \$2,000 | \$2,000 |
| 522 | 10 | 40 | 03 | Sales Tax (Not Paid with Purchase) | \$335 | \$2,000 | \$1,000 |
| Sub Total | | | | | \$335 | \$4,000 | \$3,000 |
| Administration Professional Services | | | | | | | |
| 522 | 10 | 41 | 01 | Legal | \$4,175 | \$3,500 | \$3,500 |
| 522 | 10 | 41 | 02 | Accounting | \$2,588 | \$2,700 | \$2,750 |
| 522 | 10 | 41 | 03 | Recruitment & Testing | \$935 | \$860 | \$860 |
| 522 | 10 | 41 | 04 | Medical & Psychological | \$341 | \$360 | \$360 |
| 522 | 10 | 41 | 05 | Vaccinations | \$0 | \$120 | \$50 |
| 522 | 10 | 41 | 06 | Information Technology | \$21,711 | \$27,454 | \$26,610 |
| 522 | 10 | 41 | 07 | MRSC | \$425 | \$480 | \$525 |
| 522 | 10 | 41 | 08 | Consulting | \$3,625 | \$4,000 | \$3,600 |
| 522 | 10 | 41 | 09 | Accreditation | \$570 | \$570 | \$570 |
| Sub Total | | | | | \$34,370 | \$40,044 | \$38,825 |
| Administration Communications | | | | | | | |
| 522 | 10 | 42 | 01 | Postage & Shipping | \$962 | \$1,600 | \$600 |
| 522 | 10 | 42 | 02 | Internet Domain Name | \$60 | \$60 | \$60 |
| 522 | 10 | 42 | 03 | Telephone | \$8,090 | \$8,160 | \$8,716 |
| 522 | 10 | 42 | 04 | Cellular Telephones | \$3,132 | \$4,400 | \$4,504 |
| 522 | 10 | 42 | 05 | Cable/Internet | \$6,357 | \$6,468 | \$7,632 |
| 522 | 10 | 42 | 06 | Newsletter (mail house) | \$2,091 | \$10,500 | \$5,700 |
| Sub Total | | | | | \$20,692 | \$31,188 | \$27,212 |
| Travel, Lodging, & Meals | | | | | | | |
| 522 | 10 | 43 | 01 | Commissioners Travel | \$40 | \$300 | \$100 |
| 522 | 10 | 43 | 02 | Staff Travel | \$1,164 | \$1,500 | \$1,500 |
| Sub Total | | | | | \$1,204 | \$1,800 | \$1,600 |

Table 18. Administrative Division Budget (Continued)

| Administration Advertising | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|---|----|----|----|----------------------------------|------------------|------------------|------------------|
| 522 | 10 | 44 | 01 | Legal Advertising | \$874 | \$2,500 | \$1,000 |
| 522 | 10 | 44 | 03 | Admin Recruitment | \$663 | \$400 | \$675 |
| Sub Total | | | | | \$1,537 | \$2,900 | \$1,675 |
| Administration Operating Rentals & Leases | | | | | | | |
| 522 | 10 | 45 | 01 | Copier | \$3,018 | \$4,560 | \$5,040 |
| 522 | 10 | 45 | 03 | Miscellaneous Equipment Rental | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$3,018 | \$4,560 | \$5,040 |
| Administration Insurance | | | | | | | |
| 522 | 10 | 46 | 01 | Liability/Umbrella | \$43,760 | \$49,636 | \$53,146 |
| Sub Total | | | | | \$43,760 | \$49,636 | \$53,146 |
| Repair & Maintenance | | | | | | | |
| 522 | 10 | 48 | 01 | Equipment R&M (Computer) | \$0 | \$0 | \$0 |
| 522 | 10 | 48 | 02 | Equipment R&M (Office Equipment) | \$0 | \$0 | \$0 |
| 522 | 10 | 48 | 03 | Equipment R&M (Miscellaneous) | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$0 | \$0 | \$0 |
| Miscellaneous | | | | | | | |
| 522 | 10 | 49 | 01 | Professional Memberships | \$4,820 | \$5,185 | \$5,585 |
| 522 | 10 | 49 | 02 | Subscriptions | \$1,623 | \$1,646 | \$1,496 |
| 522 | 10 | 49 | 03 | Commissioner Off-Site Expense | \$51 | \$200 | \$200 |
| 522 | 10 | 49 | 04 | Staff Off-Site Expense | \$63 | \$200 | \$100 |
| 522 | 10 | 49 | 05 | On-Site Meeting Expense | \$380 | \$450 | \$400 |
| 522 | 10 | 49 | 06 | Recognition/Awards Dinner | \$0 | \$300 | \$300 |
| 522 | 10 | 49 | 07 | Investment/Misc Bank Fees | \$214 | \$600 | \$250 |
| 522 | 10 | 49 | 08 | Finance Charges | \$64 | \$300 | \$200 |
| 522 | 10 | 49 | 09 | Investment Fee (Capital) | \$0 | \$0 | \$0 |
| 522 | 10 | 49 | 10 | Administrative Audit | \$10,911 | \$0 | \$13,560 |
| Sub Total | | | | | \$18,125 | \$8,881 | \$22,091 |
| Total Administrative Division Budget | | | | | \$622,613 | \$621,799 | \$666,672 |

Major Expenditures/Changes

The administrative division budget increased by 7.22% due to compensation increases for executive staff, reclassification of the office assistant to administrative assistant/fiscal specialist and increasing her hours of work from 20 hours/week to 30 hours/week, and expense of the district's bi-annual financial and accountability audit by the Washington State Auditor's Office (SAO).

Total compensation (salary and benefits) for executive staff (fire chief, deputy chief, and finance officer) are examined on a bi-annual basis (even years) with an effort to maintain external equity with comparable fire districts within the state and internal equity in comparison with the district's full-time employees represented by International Association of Firefighters Local 4299 International Association of Firefighters.

Reclassification of the office assistant to administrative assistant/fiscal specialist provides additional strength of the payroll and accounts payable functions as well as providing a professional development within the context of the district's succession planning process.

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Operations Division

The operations division delivers emergency services to the community to reduce the severity of incidents related to fires, illnesses, injuries, and other hazards within the community. The operations division is responsible for the following major programs and functions:

- Fire suppression
- Emergency medical services
- Marine rescue and shipboard firefighting (land based)
- Technical rescue
- Hazardous materials
- Domestic preparedness
- Wellness/fitness program

Personnel Summary

The operations division is comprised of our part-time and volunteer firefighters and volunteer company officers. Volunteer staffing levels within the operations division are anticipated to remain stable in 2020. Part-time staffing was reduced from four and one-half full-time equivalent with ten part-time personnel to three FTE with six part-time personnel. This reduction in part-time staffing is offset by two full-time firefighter/emergency medical technicians in the community risk reduction division. The district's full-time company officers and firefighters are assigned to the community risk reduction division but also have an operational role in responding to emergency incidents. Table 19 delineates the distribution of operations division staffing.

Table 19. 2021 Operations Staffing by Rank/Role

| Classification | Volunteer | Part-Time |
|-------------------------------|--------------|-------------|
| Support Services (Operations) | 6.00 | 0.00 |
| Firefighter | 15.00 | 6.00 |
| Lieutenant | 1.00 | 0.00 |
| Captain | 1.00 | 0.00 |
| Total Staff | 23.00 | 6.00 |

In addition to members rank or role, they may hold additional one or more qualifications based on certification or training and qualification as illustrated in Table 20.

Table 20. 2021 Operations Staffing by Qualification

| Qualification | Volunteer | Part-Time |
|---------------------------------------|-----------|-----------|
| Emergency Medical Technician-Basic | 11.00 | 6.00 |
| Light Apparatus Operator | 17.00 | 6.00 |
| Heavy Apparatus Operator-Engine | 14.00 | 4.00 |
| Heavy Apparatus Operator-Water Tender | 10.00 | 2.00 |
| Marine Rescue | 11.00 | 6.00 |
| Rope Rescue | 8.00 | 6.00 |

Strategic Goals

The following strategic goals are of significance to the operations division.

- Reduce incident frequency and severity.
- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.

In addition, the operations division directly supports the district's strategic goals to:

- Be fiscally responsible and operate with transparency.
- Ensure adequate staffing.
- Maintain adequate infrastructure to support operations.

Performance Measures

Table 21 identifies the operations division's strategic performance measures. Performance measures shaded light yellow are Adopted (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the district's performance management processes.

Table 21. Operations Division Performance Measures

| Community Perspective | | | | | |
|--|--|--|--------|--------|---------|
| Strategic Goal | Outcome Measure | District Performance | | | |
| Reduce incident frequency and severity | Percentage of structure fires beyond the room of origin on arrival confined to the building of origin [lag] | Year | 2017 | 2018 | 2019 |
| | | Confined to the building of origin | 80.00% | 73.63% | 100.00% |
| | Percentage of structure fires confined to the room or area of origin [Lag] | Confined to the room or area of origin | 50.00% | 72.72% | 55.55% |
| | Cardiac arrest save rate (Utstine criteria) [lag] | Adopted performance measure | | | |
| | Discussion: Anecdotal data shows an increase in the district’s cardiac arrest save rate (patient self-reporting). Data on cardiac arrest save rate (discharge from the hospital neurologically intact) is not currently available. | | | | |
| | Extent to which CWIFR meets its adopted standard of coverage (SOC) [lead] | Adopted performance measure | | | |
| | <ul style="list-style-type: none"> 90th percentile response time first unit (all emergency incidents) 90th percentile response time for minimum response force for building fire & cardiac arrest (MRF) 90th percentile response time for effective response force fire & cardiac arrest Percentage turnout of on-call staff on structure fires (day/night) | | | | |
| Discussion: The district’s SOC is under development and has not yet been adopted by the board of fire commissioners. Data is currently being collected that will allow reporting on this measure after adoption of the SOC. | | | | | |

Table 21. Operations Division Performance Measures (Continued)

| Fiscal Stewardship Perspective | | | | | |
|---|--|---|------|------|--------|
| Strategic Goal | Outcome Measure | District Performance | | | |
| The Operations Division has no performance measures in the fiscal stewardship perspective | | | | | |
| Internal Process Perspective | | | | | |
| Strategic Goal | Outcome Measure | District Performance | | | |
| Identify and apply best practice to achieve continuous improvement, maximize effectiveness, efficiency, and value | Case examples of best practice implementation [qualitative/lead] | The district developed an emergency medical services coordinated quality improvement plan which was approved by the Washington State Department of Health (WA DOH) (approval number 421). | | | |
| Resource Perspective | | | | | |
| Strategic Goal | Performance Driver | District Performance | | | |
| Ensure adequate staffing | Retention rate: | Year | 2017 | 2018 | 2019 |
| | <ul style="list-style-type: none"> % of volunteer members with greater than 24 months service % of part-time members with greater than 24 months service | Volunteer >24 months | 44% | 44% | 63.16% |
| | | PT > 24 months | 40% | 30% | 16.67% |
| Discussion: Volunteer longevity remained stable between 2017 and 2018. Part-time longevity decreased due to turnover. Part-time firefighter/emergency medical technicians are typically hired by other agencies as Full-Time Employees. In 2019, the district reduced part-time shift staffing to 1.0 full-time equivalent (FTE) per shift (total of 3 FTE) using six part-time employees. | | | | | |
| Strategic Goal | Performance Driver | District Performance | | | |
| Ensure adequate staffing | Average on-duty staffing (day/night) | Year | 2017 | 2018 | 2019 |
| | | On-duty day | 4.99 | 5.83 | 4.31 |
| | | On-duty night | 3.28 | 3.50 | 3.30 |
| Discussion: Average on-duty staffing decreased slightly due to a member with an extended occupational illness. Daytime staffing integrates average shift staffing (day and night) with additional day shift coverage provided by the fire chief, deputy chief, training captain, and firefighter mechanic (hours worked/day shift hours). Night staffing includes on-shift personnel and the command duty officer. | | | | | |

Table 21. Operations Division Performance Measures (Continued)

| Resource Perspective | | |
|--------------------------|--|------------------------------|
| Strategic Goal | Performance Driver | District Performance |
| Ensure adequate staffing | Percentage of incidents in which the following Standard of Coverage response standards are met: <ul style="list-style-type: none"> • Minimum company staffing • Minimum Response Force • Effective Response Force | Adopted performance measure. |
| | Discussion: The district’s SOC is under development and has not yet been adopted by the board of fire commissioners. Data is currently being collected that will allow reporting on this measure after adoption of the SOC. | |

Accomplishments

Major operational accomplishments in (2020) include the following:

- **Type 5 Engine Equipment Inventory:** The district's type five (wildland) engines were equipped with standardized equipment to meet National Wildfire Coordinating Group (NWCG) standards for this kind and type of apparatus as well as the district's operational needs. This accomplishment addressed the district's strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this accomplishment addressed Commission on Fire Accreditation International (CFAI) criterion 6E tools, supplies, and small equipment (performance indicator 6E.1 tools and equipment inventory and distribution) (CPSE, 2015).
- **Wildland Cache:** The district purchased a cache of equipment required for all hazards mobilization or Washington Department of Natural Resources (WA DNR) mutual aid for wildland firefighting. This equipment included programmable digital portable radios, additional personal protective equipment, and related tools. This accomplishment addressed the district's strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this accomplishment addressed Commission on Fire Accreditation International (CFAI) accreditation criterion 6F safety equipment (core competency 6F.1 safety equipment needs assessment & distribution) and criterion 6E tools, supplies, and small equipment (performance indicator 6E.1 tools and equipment inventory and distribution) (CPSE, 2015).
- **Health Insurance Portability and Accountability Act (HIPAA) Compliance:** HIPAA compliance and continued training of personnel of its importance are an essential component of our emergency medical service (EMS) delivery. *Standard Operating Guideline (SOG) 4.4.7 Protected Health Information* was completed to establish policy and procedure to ensure compliance with HIPAA and related laws and regulations. This project addresses the district's strategic goal of identifying and applying best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project addresses CFAI accreditation criterion 5F emergency medical services (core competency 5F.5 HIPPA compliance) (CFAI, 2015).
- **Coordinated Quality Improvement (CQI) Program.** The coordinated quality improvement committee completed *Standard Operating Guideline 4.4.6 Emergency Medical Services (EMS) Coordinated Quality Improvement* establishing policy and procedure for the district's CQI program. In addition, the Washington State Department of Health (WA DOH) granted approval of the district's CQI plan (approval number 421). This project addressed the district's strategic goal of identifying and applying best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project addressed CFAI Accreditation criterion 5F emergency medical services (performance indicator 5F.6 Independent Review of Patient Records) (CPSE, 2015).
- **Self-Contained Breathing Apparatus (SCBA) Replacement:** The district replaced all self-contained breathing apparatus and related compressed air cylinders with equipment meeting

current standards. This project involved assessment of multiple brands and models of SCBA and working with neighboring agencies to develop specifications that maximized interoperability and completing procurement of new SCBA and cylinders. This accomplishment addressed the district’s strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this accomplishment addressed Commission on Fire Accreditation International (CFAI) accreditation criterion 6F safety equipment (core competency 6F.1 safety equipment needs assessment & distribution) (CPSE, 2015).

- **Hydraulic Rescue Tools Replacement:** The district completed a needs assessment examining requirements hydraulic rescue tool inventory, assessment of multiple brands and models of hydraulic rescue tools, developed specifications, and completed procurement of hydraulic rescue tools to replace the district’s aging inventory. This accomplishment addressed the district’s strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this accomplishment addressed Commission on Fire Accreditation International (CFAI) accreditation criterion 6E tools, supplies, and small equipment (performance indicator 6E.1 tools and equipment inventory and distribution) (CPSE, 2015).

Projects

Major projects in 2021 Include:

- **Type 1 Engine Standard Equipment Inventory:** Implement a standardized inventory for type one engines to meet the requirements of the Washington Survey and Rating Bureau and district operational requirements. This will complete major apparatus inventory standardization (water tenders, type five engines, and type one engines). This project will address the district’s strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this accomplishment addressed Commission on Fire Accreditation International (CFAI) accreditation criterion 6E tools, supplies, and small equipment (performance indicator 6E.1 tools and equipment inventory and distribution) (CPSE, 2015).

2021 Division Budget

Table 22 outlines the operations division budget.

Table 22. Operations Division Budget

| Operations Salaries, Wages, & Stipends | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|--|----|----|----|--|------------------|------------------|------------------|
| 522 | 20 | 10 | 03 | Part-Time Firefighter Wages | \$138,071 | \$144,783 | \$156,657 |
| 522 | 20 | 11 | 01 | Callback Overtime | \$4,477 | \$31,859 | \$21,414 |
| 522 | 20 | 13 | 01 | Project Overtime | \$388 | \$1,059 | \$1,136 |
| 522 | 20 | 18 | 04 | Volunteer Incentive Program Annual Pay | \$3,450 | \$6,260 | \$5,310 |
| 522 | 20 | 19 | 04 | Volunteer Quarterly Stipend | \$23,325 | \$33,050 | \$30,750 |
| Sub Total | | | | | \$169,710 | \$217,011 | \$215,268 |

Table 22. Operations Division Budget (Continued)

| Operations Benefits | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|--|----|----|----|-----------------------------------|-----------------|------------------|-----------------|
| 522 | 20 | 21 | 01 | OT Callback (Medicare) | \$76 | \$482 | \$311 |
| 522 | 20 | 21 | 03 | PT FF (FICA/Medicare) | \$10,045 | \$11,756 | \$11,984 |
| 522 | 20 | 21 | 04 | Volunteer FF (FICA/Medicare) | \$3,727 | \$3,772 | \$2,759 |
| 522 | 20 | 22 | 01 | Overtime L&I | \$176 | \$358 | \$782 |
| 522 | 20 | 22 | 03 | PT FF L&I | \$16,883 | \$17,567 | \$18,270 |
| 522 | 20 | 23 | 02 | PT FF (Life Insurance) | \$90 | \$135 | \$135 |
| 522 | 20 | 24 | 03 | PT FF (PERS) | \$16,805 | \$19,867 | \$20,318 |
| 522 | 20 | 26 | 01 | Volunteer FFs (Pension & Medical) | \$1,270 | \$1,740 | \$1,440 |
| 522 | 20 | 26 | 03 | VFIS Accident & Sickness Coverage | \$3,245 | \$3,398 | \$3,745 |
| 522 | 20 | 26 | 04 | Life Insurance (Trusteed Plans) | \$226 | \$555 | \$45 |
| Sub Total | | | | | \$52,544 | \$59,630 | \$59,789 |
| Operations Office & Operating Supplies | | | | | | | |
| 522 | 20 | 31 | 01 | Fire Supplies | \$1,987 | \$3,940 | \$2,155 |
| 522 | 20 | 31 | 02 | EMS Supplies | \$3,475 | \$12,760 | \$11,554 |
| 522 | 20 | 31 | 03 | Special Operations Supplies | \$0 | \$0 | \$0 |
| 522 | 20 | 31 | 04 | Small Equipment Supplies | \$82 | \$3,050 | \$1,500 |
| 522 | 20 | 31 | 05 | Marine Supplies | \$13 | \$700 | \$348 |
| 522 | 20 | 31 | 06 | Uniforms (PT & Vol) | \$6,206 | \$19,846 | \$17,546 |
| 522 | 20 | 31 | 07 | Computer Software | \$2,837 | \$2,300 | \$2,300 |
| 522 | 20 | 31 | 08 | Tech Rescue Supplies | \$0 | \$433 | \$512 |
| 522 | 20 | 31 | 09 | Office Supplies | \$0 | \$0 | \$150 |
| 522 | 20 | 31 | 10 | Hazmat Supplies | \$0 | \$803 | \$803 |
| Sub Total | | | | | \$14,600 | \$43,832 | \$36,868 |
| Operations Fuel | | | | | | | |
| 522 | 20 | 32 | 01 | Motor Fuel | \$18,644 | \$25,800 | \$25,800 |
| Sub Total | | | | | \$18,644 | \$25,800 | \$25,800 |
| Small Tools & Minor Equipment (<\$5,000) | | | | | | | |
| 522 | 20 | 35 | 01 | Fire Equipment | \$6,236 | \$12,200 | \$9,990 |
| 522 | 20 | 35 | 02 | EMS Equipment | \$511 | \$2,250 | \$1,840 |
| 522 | 20 | 35 | 03 | Tech Rescue Equipment | \$0 | \$2,000 | \$1,700 |
| 522 | 20 | 35 | 04 | Communications Equipment | \$138 | \$7,700 | \$6,100 |

Table 22. Operations Division Budget (Continued)

| Small Tools & Minor Equipment (<\$5,000) | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|--|----|----|----|---|-----------------|------------------|-----------------|
| 522 | 20 | 35 | 05 | Personal Protective Equipment | \$11,433 | \$44,709 | \$50,476 |
| 522 | 20 | 35 | 06 | Miscellaneous Equipment | \$0 | \$0 | \$0 |
| 522 | 20 | 35 | 07 | Computer Equipment | \$0 | \$0 | \$1,300 |
| 522 | 20 | 35 | 08 | Hazmat Equipment | \$0 | \$952 | \$952 |
| 522 | 20 | 35 | 09 | Marine Equipment | \$152 | \$4,300 | \$2,800 |
| 522 | 20 | 35 | 10 | Respiratory Protection Equipment | \$0 | \$900 | \$0 |
| 522 | 20 | 35 | 11 | Fire Hose (In Capital Projects Prior to 2020) | \$0 | \$9,000 | \$4,000 |
| Sub Total | | | | | \$18,469 | \$84,011 | \$79,158 |
| Professional Services | | | | | | | |
| 522 | 20 | 41 | 01 | Breathing Air Testing | \$0 | \$1,940 | \$1,960 |
| 522 | 20 | 41 | 02 | SCBA Testing | \$6,068 | \$6,680 | \$4,134 |
| 522 | 20 | 41 | 03 | Recruitment & Testing | \$1,761 | \$2,730 | \$2,730 |
| 522 | 20 | 41 | 04 | Medical & Psychological | \$4,901 | \$12,630 | \$12,480 |
| 522 | 20 | 41 | 05 | Vaccinations | \$0 | \$1,420 | \$2,020 |
| Sub Total | | | | | \$12,730 | \$25,400 | \$23,324 |
| Communications | | | | | | | |
| 522 | 20 | 42 | 01 | ICOM Dispatch Charges | \$44,450 | \$43,128 | \$51,021 |
| 522 | 20 | 42 | 02 | ICOM Other Charges | \$0 | \$0 | \$0 |
| 522 | 20 | 42 | 03 | Data Cards for MDCs | \$9,907 | \$4,200 | \$4,200 |
| Sub Total | | | | | \$54,357 | \$47,328 | \$55,221 |
| Travel, Lodging, and Meals | | | | | | | |
| 522 | 20 | 43 | 01 | All Hazards Mobilization (Reimbursed) | \$0 | \$0 | \$100 |
| Sub Total | | | | | \$0 | \$0 | \$100 |
| Operating Rentals & Leases | | | | | | | |
| 522 | 20 | 45 | 01 | Equipment Rental | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$0 | \$0 | \$0 |
| Repair & Maintenance | | | | | | | |
| 522 | 20 | 48 | 02 | Communications Equipment R&M | \$8,084 | \$3,956 | \$3,956 |
| 522 | 20 | 48 | 03 | Fire Equipment R&M | \$287 | \$750 | \$750 |
| 522 | 20 | 48 | 04 | Marine Equipment R&M | \$2,555 | \$9,850 | \$6,600 |
| 522 | 20 | 48 | 05 | Hazmat Equipment R&M | \$0 | \$0 | \$1,000 |

Table 22. Operations Division Budget (Continued)

| Repair & Maintenance | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|------------------------|----|----|----|--------------------------------------|-----------------|------------------|-----------------|
| 522 | 20 | 48 | 06 | PPE Equipment R&M | \$489 | \$1,800 | \$3,560 |
| 522 | 20 | 48 | 07 | EMS Equipment R&M | \$0 | \$2,270 | \$0 |
| 522 | 20 | 48 | 08 | Tech Rescue Equipment R&M | \$0 | \$900 | \$0 |
| 522 | 20 | 48 | 09 | Respiratory Protection Equipment R&M | \$0 | \$5,256 | \$2,500 |
| Sub Total | | | | | \$11,415 | \$24,782 | \$18,366 |
| Miscellaneous Services | | | | | | | |
| 522 | 20 | 49 | 01 | Miscellaneous Services | \$0 | \$0 | \$0 |
| 522 | 20 | 49 | 02 | Incident Rehab & Meals | \$89 | \$800 | \$800 |
| Sub Total | | | | | \$89 | \$800 | \$800 |

Total Operations Division Budget **\$352,558** **\$528,593** **\$514,693**

Major Expenditures/Changes

The operations division budget decreased 2.63% in comparison to the 2020 adjusted budget. While there were changes in multiple areas of the operations budget, this change is substantially due to a reduction in callback overtime. The district responded to multiple all hazards mobilizations and wildland firefighting support in 2020, resulting in a significant increase in callback overtime. This expense was reimbursed by the Washington State Patrol (WSP) and Washington Department of Natural Resources (WA DNR). Expense related to mobilization and wildland firefighting support is dependent on demand, but as it is a reimbursed expense has limited expense impact over the course of the year.

Community Risk Reduction Division

The community risk reduction (CRR) division works with community partners to reduce the risk of harm from fires, illness, injury, and other hazards in the community. CRR programs include

- Fire safety inspections of commercial buildings
- Fire safety plan review
- Public education programs
- Fire investigation
- Water supply (hydrant inspection and testing)
- Pre-incident planning
- Home safety surveys and Firewise USA® wildland/urban interface surveys

Personnel Summary

One full-time firefighter/emergency medical technician was added to the community risk reduction division in 2019 and another will be added in 2020. These staffing increases were funded by an increase in the revenue from the district's interlocal agreement with WhidbeyHealth and reduction in part-time staffing in the operations division (CWIFR, 2019a).

Staffing of the CRR division is comprised of three full-time lieutenants, one of whom serves as the division manager and five full-time firefighters, all working 24 hours on duty, 48 hours off. CRR division staffing is illustrated in Table 23.

Table 23. 2021 CRR Division Staffing

| Classification | Volunteer | Part-Time | Full-Time |
|------------------------|-------------|-------------|-------------|
| Company Officer/EMTs | 0.00 | 0.00 | 3.00 |
| Firefighter/EMTs | 0.00 | 0.00 | 5.00 |
| Support Services (CRR) | 0.00 | 0.00 | 0.00 |
| Total Staff | 0.00 | 0.00 | 8.00 |

Full-time personnel assigned to this division must be certified as fire inspectors by year four of their employment. Five personnel are currently certified as fire inspectors and three recently hired personnel are in the process of gaining this certification. CRR division staffing by fire prevention, public education, and fire investigation qualification is illustrated in Table 24.

Table 24. 2021 CRR Division Staffing by Prevention/Public Education/Investigation Qualification

| Qualification | Volunteer | Part-Time | Full-Time |
|-------------------------------------|-----------|-----------|-----------|
| International Fire Code Inspector 1 | 0.00 | 0.00 | 4.00 |
| International Fire Code Inspector 2 | 0.00 | 0.00 | 1.00 |
| Fire Plans Examiner | 0.00 | 0.00 | 0.00 |
| Public Fire Educator 1 | 0.00 | 0.00 | 1.00 |
| Fire Investigation Technician | 0.00 | 0.00 | 0.00 |

In addition to CRR, members assigned to this division also respond to emergency incidents and serve in operational roles for delivery of fire suppression, rescue, and emergency medical services. CRR division staffing by operational qualifications is illustrated in Table 25.

Table 25. 2019 CRR Division Staffing by Operational Qualification

| Qualification | Volunteer | Part-Time | Full-Time |
|---------------------------------------|-----------|-----------|-----------|
| Emergency Medical Technician-Basic | 0.00 | 0.00 | 8.00 |
| Light Apparatus Operator | 0.00 | 0.00 | 8.00 |
| Heavy Apparatus Operator-Engine | 0.00 | 0.00 | 8.00 |
| Heavy Apparatus Operator-Water Tender | 0.00 | 0.00 | 8.00 |
| Marine Rescue | 0.00 | 0.00 | 8.00 |
| Rope Rescue | 0.00 | 0.00 | 8.00 |

Strategic Goals

The following strategic goals are of significance to the community risk reduction (CRR) division.

- Reduce incident frequency and severity.
- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.

In addition, the CRR division directly supports the district's strategic goals to:

- Be fiscally responsible and operate with transparency.
- Maintain adequate infrastructure to support operations.

Performance Measures

Table 26 identifies the community risk reduction division's strategic performance measures.

Performance measures shaded light yellow are Adopted (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the district's performance management processes.

Table 26. Community Risk Reduction Division Performance Measures

| Community Perspective | | | | | |
|--|--|----------------------|---------|---------|--------|
| Strategic Goal | Outcome Measure | District Performance | | | |
| Reduce incident frequency and severity | Change in total calls for service/1000 population [Lag] | Year | 2017 | 2018 | 2019 |
| | <ul style="list-style-type: none"> • Fire incidents/1000 population (NFIRS 100) | Fire incident rate | 5.56 | 2.49 | 4.89 |
| | <ul style="list-style-type: none"> • Emergency medical responses/1000 population (NFIRS 300) | EMS incident rate | 104.53 | 103.37 | 96.20 |
| | <ul style="list-style-type: none"> • Total incidents/1000 population | Total incident rate | 183.32 | 189.41 | 167.01 |
| | <p>Discussion: It is difficult to discern significant trends examining a three-year period due to the small sample size. Examining incident rate data over a fifteen-year period shows that the total incident rate is increasing more than twice as fast as population, largely due to the increase in emergency medical service incident rate. Fire incident rate has decreased over the same fifteen-year period, but saw a dramatic increase in 2015 and a slight decline in subsequent years. Lower EMS and overall incident rate in 2019 was due to temporary operational changes that reduced the number of non-emergency and interfacility transfers by the basic life support (BLS) ambulance operated by the district under interlocal agreement with the Whidbey Island Hospital District (dba WhidbeyHealth).</p> | | | | |
| | Percentage change in the rate of incident occurrence (incidents/1000 population) for risks identified as high frequency (e.g., ground level falls) or high criticality (e.g., structure fires and cardiac arrest) [Lag] | Year | 2017 | 2018 | 2019 |
| | Structure fire | -0.35% | 0.00% | 62.5% | |
| | Cardiac arrest | 11.11% | -2.86% | 18.19% | |
| | Ground level falls | No Data | No Data | No Data | |
| <p>Discussion: It is important to note that the high-risk incidents (structure fires and cardiac arrests) are an extremely small data set (n=9 for structure fires in 2018, n=10 for cardiac arrest in 2017). In addition, work is ongoing to improve the quality of data related to both cardiac arrest and ground level falls.</p> | | | | | |
| Example of programs focusing on highest risks within the community. [qualitative/lead] | <p>CWIFR placed a specific home safety survey and smoke and carbon monoxide alarm installation emphasis on homes built prior to 1984, when hard wired smoke detectors were first required.</p> | | | | |
| <p>Discussion: The district’s focused home safety survey program had limited impact, in part due to staffing limitations and also resulting from the door-to-door approach used to reach the occupants of these homes. This program is currently being evaluated to determine a more effective strategy to ensure that pre-1984 homes have working smoke and where appropriate, carbon monoxide alarms.</p> | | | | | |

Table 26. Community Risk Reduction Division Performance Measures (Continued)

| Community Perspective | | | | | | |
|--|--|------------------------------|-------|-------|-------|--|
| Strategic Goal | Outcome Measure | District Performance | | | | |
| Reduce incident frequency and severity | Percentage of district population receiving CPR Training (Hands-Only or Certification) annually [lead] | Year | 2017 | 2018 | 2019 | |
| | | % Receiving training | 2.31% | 2.23% | 1.35% | |
| | Discussion: In 2019, the district failed to meet its goal of training more than 10% of the district’s population in CPR on an annual basis with a three-year average of 2.91%. Increasing the percentage of the district’s population receiving CPR Training will necessitate coordination with WhidbeyHealth EMS and Coupeville School District (tracking the training provided by our partners) and improved marketing. | | | | | |
| | Percentage of homes (dwelling units) receiving a safety survey annually [lead] | Year | 2017 | 2018 | 2019 | |
| | | % of homes | 0.66% | 0.47% | 0.91% | |
| | Discussion: This program was implemented in 2016. In 2018 the district received a grant for home safety surveys in homes built prior to 1984. District personnel visited 120 occupancies built prior to 1984, but had limited success in gaining access to perform surveys. | | | | | |
| | Number of contacts and referrals related to community risks [lead] | Adopted performance measure. | | | | |
| | Discussion: The district continues to work to develop a methodology to track contacts and referrals. | | | | | |
| Percentage of community members correctly identifying major fire, accident, and health risks [lead] | Adopted performance measure. | | | | | |
| Discussion: The district continues work to identify an effective means for conducting a broad-based community survey. | | | | | | |
| Fiscal Stewardship Perspective | | | | | | |
| Strategic Goal | Outcome Measure | District Performance | | | | |
| The community risk reduction (CRR) division has no performance measures in the fiscal stewardship perspective | | | | | | |

Table 26. Community Risk Reduction Division Performance Measures (Continued)

| Internal Process Perspective | | |
|---|--|--|
| Strategic Goal | Outcome Measure | District Performance |
| Identify and apply best practice to achieve continuous improvement, maximize effectiveness, efficiency, and value | Case examples of best practice implementation [qualitative/lead] | In 2020, the district completed preplans for all commercial and multi-unit residential occupancies with greater than 3,000 square feet of floor area and/or having fire suppression systems (e.g., sprinklers or standpipes). In addition, preplans were developed for complexes of smaller buildings presenting significant fire risk (e.g., mobile home parks). In addition, water supply preplans were completed for all unhydranted areas of the community, identifying key water tender fill points based on flow capability, access, and travel route. |
| Resource Perspective | | |
| Strategic Goal | Outcome Measure | District Performance |
| The community risk reduction (CRR) division has no Performance Measures in the Resource Perspective | | |

Accomplishments

Major community risk reduction division accomplishments in 2020 include the following:

- **Fire Inspection Records Management System:** Implement use of the ImageTrend fire inspection records management system (RMS). This project will address the district's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it addresses CFAI accreditation criterion 5A community risk reduction program (performance indicator 5A.6 frequency of inspections) (CFAI, 2015).
- **Preplanning:** Preplans were developed for all commercial and multi-unit residential occupancies with greater than 3,000 square feet of floor area and/or having fire suppression systems (e.g., sprinklers or standpipes). In addition, preplans were developed for complexes of smaller buildings presenting significant fire risk (e.g., mobile home parks). In addition, water supply preplans were completed for all unhydranted areas of the community, identifying key water tender fill points based on flow capability, access, and travel route. These interrelated projects addressed the district's strategic goal to reduce incident frequency and severity, and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it addresses CFAI accreditation criterion 2B risk assessment and response strategies (core competency 2B.3 determination and documentation of categories and classes of risks, and performance indicator 2B.5, fire protection systems, and 3B.6 critical infrastructure) and criterion 9A water supply (performance indicator 9A.4 water supply maps and 9A.8 water supply preplans) (CFAI, 2015).
- **Fire Investigation:** One member was certified through the International Fire Service Accreditation Congress (IFSAC) as a fire investigator one. This project will address the district's strategic goal to reduce incident frequency and severity, and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it addresses CFAI accreditation criterion 5C Fire Investigation on a comprehensive basis (CFAI, 2015).

Projects

Major projects in 2021 include:

- **Preplanning:** CWIFR will transition target hazard preplanning from a project to an ongoing process to develop and maintain currency of the district's data on critical infrastructure and target hazards. In addition, the district will begin developing data on long driveways and gated occupancies. These interrelated projects addressed the district's strategic goal to reduce incident frequency and severity, and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it addresses CFAI accreditation criterion 2B risk assessment and response strategies (core competency 2B.3 determination and documentation of categories and classes of risks, and performance indicator 2B.5, fire protection systems, and 3B.6 critical infrastructure) and criterion 9A water supply (performance indicator 9A.4 water supply maps and 9A.8 water supply preplans) (CFAI, 2015).

- Fire Investigation:** Establishing interlocal agreements with the Town of Coupeville and Island County to clarify roles and responsibilities related to fire investigation will continue into 2021. This project will address the district's strategic goal to reduce incident frequency and severity, and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it addresses CFAI accreditation criterion 5C Fire Investigation on a comprehensive basis (CFAI, 2015).
- Plans Review:** Central Whidbey Island Fire & Rescue (CWIFR) will work to develop, document, and implement a formal process for fire code plans review in conjunction with Island County and the Town of Coupeville. We will work to ensure one member becomes certified in plans review. This project addresses the district's strategic goal of reducing incident frequency and severity and identifying and applying best practice to achieve continuous improvement of effectiveness, efficiency, and value. This project addresses CFAI accreditation criterion 5A community risk reduction (CRR) (performance indicators 5A.4 plan review) and criterion 9A water supply (core competency 9A.1 determination of minimum flow requirements).

2021 Division Budget

Table 27 outlines the CRR division budget.

Table 27. Community Risk Reduction Division Budget

| CRR Salaries, Wages, & Stipends | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|---------------------------------|----|----|----|---------------------------------|------------------|------------------|------------------|
| 522 | 30 | 10 | 01 | Full-Time FF/LT/CAPT | \$470,909 | \$585,024 | \$652,589 |
| 522 | 30 | 10 | 03 | PT FF Salary (CRR) | \$0 | \$408 | \$836 |
| 522 | 30 | 10 | 04 | Volunteer Stipend (CRR) | \$0 | \$2,400 | \$800 |
| 522 | 30 | 11 | 01 | Qualification Incentive | \$810 | \$4,003 | \$2,675 |
| 522 | 30 | 12 | 01 | Shift Coverage Overtime | \$56,340 | \$47,884 | \$36,398 |
| 522 | 30 | 13 | 01 | Project Overtime | \$2,055 | \$7,200 | \$10,342 |
| 522 | 30 | 15 | 01 | Education Incentive | \$5,220 | \$7,596 | \$6,972 |
| 522 | 30 | 16 | 01 | FF/LT Holiday Pay | \$22,358 | \$22,144 | \$23,767 |
| 522 | 30 | 17 | 01 | FT FF/LT/CAPT AIC Pay | \$1,703 | \$3,485 | \$3,805 |
| 522 | 30 | 18 | 01 | FT FF/LT/CAPT Def Comp | \$17,877 | \$24,949 | \$26,104 |
| 522 | 30 | 19 | 01 | Longevity | \$14,890 | \$18,308 | \$19,456 |
| 522 | 30 | 20 | 01 | Assignment Incentive | \$0 | \$1,737 | \$2,797 |
| Sub Total | | | | | \$592,162 | \$725,139 | \$786,541 |
| CRR Benefits | | | | | | | |
| 522 | 30 | 21 | 01 | FT FF/LT/CAPT (Medicare) | \$8,321 | \$10,521 | \$11,045 |
| 522 | 30 | 21 | 03 | PT FF (FICA/Medicare) (CRR) | \$0 | \$31 | \$64 |
| 522 | 30 | 21 | 04 | Volunteer (FICA/Medicare) (CRR) | \$0 | \$184 | \$61 |
| 522 | 30 | 22 | 01 | FT FF/LT/CAPT (L&I) | \$25,237 | \$43,191 | \$45,062 |

Table 27. Community Risk Reduction Division Budget (Continued)

| CRR Benefits | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|--|----|----|----|----------------------------------|------------------|------------------|------------------|
| 522 | 30 | 22 | 03 | PT FF L&I (CRR) | \$0 | \$46 | \$97 |
| 522 | 30 | 23 | 01 | FT FF/LT/CAPT (Medical & Dental) | \$116,582 | \$158,748 | \$158,748 |
| 522 | 30 | 24 | 01 | FT FF/LT/CAPT (LEOFF) | \$30,151 | \$38,985 | \$41,835 |
| 522 | 30 | 24 | 03 | PT FF (PERS) (CRR) | \$0 | \$53 | \$108 |
| Sub Total | | | | | \$180,291 | \$251,759 | \$257,021 |
| CRR Office & Operating Supplies | | | | | | | |
| 522 | 30 | 31 | 01 | Office Supplies | \$173 | \$0 | \$0 |
| 522 | 30 | 31 | 02 | Fire Prevention | \$1,609 | \$3,670 | \$3,670 |
| 522 | 30 | 31 | 03 | Fire Public Education | \$660 | \$770 | \$520 |
| 522 | 30 | 31 | 04 | EMS Public Education Supplies | \$2,877 | \$3,090 | \$2,740 |
| 522 | 30 | 31 | 05 | Fire Investigation Supplies | \$385 | \$500 | \$500 |
| 522 | 30 | 31 | 06 | Pre-Incident Supplies | \$1,603 | \$1,660 | \$2,800 |
| 522 | 30 | 31 | 07 | Books & Publications | \$234 | \$675 | \$650 |
| 522 | 30 | 31 | 08 | Computer Software | \$789 | \$4,200 | \$4,200 |
| 522 | 30 | 31 | 09 | Uniforms | \$2,010 | \$3,600 | \$3,600 |
| Sub Total | | | | | \$10,340 | \$18,165 | \$18,680 |
| CRR Small Equipment & Tools (<\$5,000) | | | | | | | |
| 522 | 30 | 35 | 01 | Computer Hardware | \$0 | \$1,788 | \$0 |
| 522 | 30 | 35 | 02 | Office Equipment | \$65 | \$0 | \$0 |
| 522 | 30 | 35 | 03 | Pre-Incident Equipment (CRR) | \$0 | \$0 | \$160 |
| Sub Total | | | | | \$65 | \$1,788 | \$160 |
| CRR Professional Services | | | | | | | |
| 522 | 30 | 41 | 01 | Legal | \$0 | \$0 | \$0 |
| 522 | 30 | 41 | 02 | Plans Review | \$0 | \$235 | \$250 |
| 522 | 30 | 41 | 03 | Life Safety Consulting | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$0 | \$235 | \$250 |
| CRR Travel, Lodging, & Meals | | | | | | | |
| 522 | 30 | 43 | 01 | Life Safety Meetings | \$0 | \$1,440 | \$0 |
| Sub Total | | | | | \$0 | \$1,440 | \$0 |
| CRR Operating Rentals & Leases | | | | | | | |
| 522 | 30 | 45 | 01 | Equipment Rental | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$0 | \$0 | \$0 |
| CRR Repair & Maintenance | | | | | | | |
| 522 | 30 | 48 | 01 | Equipment R&M (Miscellaneous) | \$128 | \$0 | \$0 |
| Sub Total | | | | | \$128 | \$0 | \$0 |

Table 27. Community Risk Reduction Division Budget (Continued)

| CRR Miscellaneous Services | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|----------------------------|----|----|----|--------------------------------|----------------|------------------|-----------------|
| 522 | 30 | 49 | 01 | Professional Memberships | \$560 | \$735 | \$780 |
| 522 | 30 | 49 | 02 | Life Safety Meeting Expense | \$0 | \$0 | \$0 |
| 522 | 30 | 49 | 03 | Subscriptions | \$0 | \$0 | \$0 |
| 522 | 30 | 49 | 04 | Community Risk Reduction Grant | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$560 | \$735 | \$780 |

Total CRR Division Budget

\$783,546 \$999,260 \$1,063,432

Major Expenditures/Changes

The community risk reduction (CRR) division budget increased 6.42% in comparison to 2020. This substantial increase was largely because of the expense of a full year of an additional full-time firefighter/emergency medical technician (position filled mid-year 2020) and compensation increases in the *2019-2021 Collective Bargaining Agreement between the Central Whidbey Island Fire & Rescue and Local 4299 International Association of Firefighters (IAFF) (CWIFR & Local 4299, 2019)*.

Shift coverage overtime in 2019 and 2020 were impacted by extended shift vacancies resulting from injury and illness. As a standard practice, the district budgets shift coverage overtime based on historical leave use, excluding unusual events such as long-term sickness, injury, or parental leave. Overtime impacts from these events are addressed on a case-by-case basis using net zero budget adjustment or contingency transfer.

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Training and Recruitment Division

The training and recruitment division ensures that the district has adequate volunteer, part-time, and full-time staff and that our members have the competence necessary to serve our community. Competence in this sense is holistic, including the technical and interpersonal competence that reflects the district's values of *professionalism, integrity, compassion, and excellence*.

The training and recruitment division is responsible for the following major programs and functions:

- Recruitment, retention, and promotion
- Fire training
- Emergency medical training
- Special operations (marine, technical rescue, and hazmat) training
- Apparatus operator training
- Officer development training and professional development
- Human resources/occupational safety training
- Best practice research

Personnel Summary

The training and recruitment division is staffed by a captain. While staffed with a single person, this division draws on the other divisions as needed to meet the professional development and recruitment needs of the district.

Strategic Goals

The following strategic goals are of significance to the training and recruitment division.

- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.
- Ensure adequate staffing.

In addition, the training and recruitment division directly supports the district's strategic goal to be fiscally responsible and operate with transparency.

Performance Measures

Table 28 identifies the training and recruitment division's strategic performance measures. Performance measures shaded light yellow are Adopted (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the district's performance management processes.

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Table 28. Training and Recruitment Division Performance Measures

| Community Perspective | | | | | |
|---|--|---|--------|--------|--------|
| Strategic Goal | Outcome Measure | District Performance | | | |
| The training and recruitment division has no performance measures in the community perspective | | | | | |
| Fiscal Stewardship Perspective | | | | | |
| Strategic Goal | Outcome Measure | District Performance | | | |
| The training and recruitment Division has no Performance Measures in the fiscal stewardship perspective | | | | | |
| Internal Process Perspective | | | | | |
| Strategic Goal | Outcome Measure | District Performance | | | |
| Identify and apply best practice to achieve continuous improvement to maximize effectiveness, efficiency, and value | Case examples of best practice implementation [qualitative/lead] | The district implemented a wildland firefighter training and qualification program to certify members at the wildland firefighter two level. In addition, the training and recruitment division developed a plan to increase member qualification to the firefighter one level. | | | |
| Resource Perspective | | | | | |
| Strategic Goal | Performance Driver | District Performance | | | |
| Ensure adequate staffing | Percentage of members qualified to test for promotion to the next highest organizational level | Year | 2018 | 2019 | 2020 |
| | <ul style="list-style-type: none"> Full-time lieutenant→full-time captain | Full-time Captain | 0.00 | 0.00% | 33.00% |
| | <ul style="list-style-type: none"> Full-time firefighter→full-time lieutenant | Full-Time Lieutenant | 0.00% | 20.00% | 20% |
| | <ul style="list-style-type: none"> Part-Time firefighter→full-time firefighter (FF) | PT to Full-Time FF | 11.11% | 33.33% | 33.33% |
| | <ul style="list-style-type: none"> Volunteer firefighter→full-time FF | Vol to Full-Time FF | 22.22% | 20.00% | 20.00% |
| | <ul style="list-style-type: none"> Volunteer firefighter→part-time FF | Vol PT FF | 11.11% | 47.36% | 47.36% |
| | <ul style="list-style-type: none"> Volunteer firefighter→volunteer lieutenant | Volunteer Lieutenant | 0.00% | 0.00% | 0.00% |

Table 28. Training and Recruitment Division Performance Measures (Continued)

| Resource Perspective | | | | | |
|--------------------------|---|---|--------|--------|--------|
| Strategic Goal | Performance Driver | District Performance | | | |
| Ensure adequate staffing | Percentage of officers holding professional designation from the Commission on Professional Credentialing (CPC) or Institution of Fire Engineers (IFE). <ul style="list-style-type: none"> • Chief fire officer (CFO)/Member IFE (MIFireE) • Chief emergency medical services officer (CEMSO) • Fire officer (FO)/Graduate IFE (GIFireE) | Year | 2018 | 2019 | 2020 |
| | | CFO/MIFireE | 11.11% | 11.11% | 11.11% |
| | | CEMSO/CTO/FM | 0.00% | 0.00% | 0.00% |
| | | FO/GIFireE | 11.11% | 11.11% | 11.11% |
| | | Total % designees | 22.22% | 22.22% | 22.22% |
| | | Chief Hartin holds CFO designation and Fellow Grade (FIFireE) within the IFE (higher level designation than MIFireE). | | | |
| Ensure adequate staffing | Percentage of members meeting individual performance standards. | Adopted performance measure. | | | |
| Ensure adequate staffing | Percentage of companies meeting performance standards. | Adopted performance measure. | | | |

Accomplishments

The training division manager was assigned key responsibility in addressing member health and safety and public communication during the COVID-19 pandemic, consequently several 2020 projects were deferred until 2021. Major training and recruitment accomplishments in 2020 include the following:

Wildland Program: Completed training and qualification of seven personnel at the wildland firefighter type 2 level, providing minimum staffing to allow deployment of a type five engine, type 2 support water tender, or type one engine for state all hazards mobilization or mutual aid to the Washington Department of Natural Resources (WA DNR) for wildland fires. Additional training along with hazards mobilization and DNR mutual aid will allow qualification at higher wildland firefighting levels such as wildland firefighter type one and engine boss as well as developing valuable experience in wildland firefighting and large incident operations. This project focused on the district's strategic goals to ensure adequate staffing and reduce incident frequency and severity. In addition, it addressed CFAI accreditation criterion 5K wildland fire services (core competency 5K.4 wildland fire training and certification) (CFAI, 2015).

2021 Projects

Major Projects in 2021 include the following:

- ***Probationary Members:*** Develop a standard orientation process to ensure new members (volunteer, part-time, and full time) receive adequate orientation and introduction upon entry and throughout their probationary period. This project focuses on the district's strategic goal of ensuring adequate staffing. This project also addresses CFAI accreditation criterion 7B recruitment, retention, selection and promotion (performance indicator 7B.5 orientation and core competency 7B.6 probationary period) (CFAI, 2015).
- ***Technical Rescue:*** Train at least one member to the rope rescue technician level (operations level instructor) by the end of 2021. This project focuses on the district's strategic goal to reduce incident frequency and severity. In addition, it addresses CFAI accreditation criterion 5G technical rescue (5G.2 technical rescue training & operational standards) (CFAI, 2015).
- ***Individual and Company Performance Standards:*** Develop a standard operating guideline (SOG) for the district's individual and company standards program. This project will address the district's strategic goal of ensuring adequate staffing. In addition, this project focuses on CFAI accreditation criterion 8A training and education program requirements (performance indicator 8A.4 defined minimum training standards), and criterion 8B training and education program performance (core competency 8B.3 evaluation of individual and crew performance and performance indicator 8B.4 assessment of training reliability) (CFAI, 2015).

- Wildland Program:** Implement training and qualification for type one wildland firefighters to expand the district's wildland firefighting capability. Qualification of type one firefighters also allows the district to continue training and qualification of type 2 firefighters using in-house instructors. This project focuses on the district's strategic goals to provides adequate staffing and reduce incident frequency and severity. In addition, it addressed CFAI accreditation criterion 5K wildland fire services (core competency 5K.4 wildland fire training and certification) (CFAI, 2015).

2021 Division Budget

Table 29 outlines the training and recruitment division budget.

Table 29. Training and Recruitment Division Budget

| Training Salaries & Wages | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|--------------------------------------|----|----|----|-----------------------------------|------------------|------------------|------------------|
| 522 | 45 | 11 | 01 | FT CAPT | \$91,638 | \$94,392 | \$98,091 |
| 522 | 45 | 12 | 01 | Training Overtime | \$2,567 | \$2,504 | \$2,687 |
| 522 | 45 | 13 | 01 | Training Education Incentive | \$1,817 | \$2,814 | \$1,962 |
| 522 | 45 | 14 | 01 | Project Overtime (Captain) | \$0 | \$1,252 | \$1,344 |
| 522 | 45 | 15 | 01 | Fully Qualified Incentive | \$0 | \$0 | \$0 |
| 522 | 45 | 16 | 01 | Longevity | \$3,564 | \$3,934 | \$3,924 |
| 522 | 45 | 17 | 01 | AIC Differential | \$0 | \$0 | \$0 |
| 522 | 45 | 19 | 01 | FT CAPT (Def Comp) | \$3,468 | \$4,128 | \$3,924 |
| Sub Total | | | | | \$103,055 | \$109,024 | \$111,931 |
| Training Benefits | | | | | | | |
| 522 | 45 | 21 | 01 | FT CAPT (Medicare Only) | \$1,402 | \$1,685 | \$1,448 |
| 522 | 45 | 22 | 01 | FT CAPT (L&I) | \$3,844 | \$5,658 | \$4,568 |
| 522 | 45 | 23 | 01 | FT CAPT (Medical/Dental) | \$16,743 | \$16,743 | \$16,743 |
| 522 | 45 | 24 | 01 | FT CAPT (LEOFF) | \$6,132 | \$5,809 | \$5,823 |
| Sub Total | | | | | \$28,122 | \$29,895 | \$28,582 |
| Training Office & Operating Supplies | | | | | | | |
| 522 | 45 | 31 | 01 | Office Supplies | \$33 | \$50 | \$50 |
| 522 | 45 | 31 | 02 | Fire Training-Supplies | \$231 | \$0 | \$0 |
| 522 | 45 | 31 | 03 | EMS Training -Supplies | \$0 | \$1,102 | \$754 |
| 522 | 45 | 31 | 04 | Special Ops Training-Supplies | \$5 | \$640 | \$240 |
| 522 | 45 | 31 | 05 | Officer Develop Training-Supplies | \$0 | \$0 | \$0 |
| 522 | 45 | 31 | 06 | Other Training-Supplies | \$0 | \$800 | \$800 |

Table 29. Training and Recruitment Division Budget (Continued)

| Training Office & Operating Supplies | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|--|----|----|----|--|----------------|------------------|-----------------|
| 522 | 45 | 31 | 07 | Computer Software | \$333 | \$0 | \$0 |
| 522 | 45 | 31 | 08 | Books & Publications | \$881 | \$2,026 | \$810 |
| 522 | 45 | 31 | 09 | Uniforms - Training | \$1,347 | \$500 | \$500 |
| 522 | 45 | 31 | 10 | CRR Training-Supplies | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$2,831 | \$5,118 | \$3,154 |
| Training Fuel | | | | | | | |
| 522 | 45 | 32 | 01 | Training Propane | \$0 | \$400 | \$400 |
| Sub Total | | | | | \$0 | \$400 | \$400 |
| Training Small Tools & Equipment (<\$5000) | | | | | | | |
| 522 | 45 | 35 | 01 | Fire Training Equipment | \$937 | \$200 | \$700 |
| 522 | 45 | 35 | 02 | EMS Training Equipment | \$0 | \$125 | \$0 |
| 522 | 45 | 35 | 03 | Special Ops Training Equipment | \$0 | \$2,500 | \$0 |
| 522 | 45 | 35 | 04 | Officer Development Equipment | \$0 | \$0 | \$0 |
| 522 | 45 | 35 | 05 | Computer Hardware | \$0 | \$2,600 | \$160 |
| 522 | 45 | 35 | 06 | Safety Equipment | \$0 | \$0 | \$0 |
| 522 | 45 | 35 | 07 | Station Furniture | \$349 | \$0 | \$0 |
| 522 | 45 | 35 | 08 | CRR Training Equipment | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$1,286 | \$5,425 | \$860 |
| Training Services & Pass-Through Payments | | | | | | | |
| 522 | 45 | 40 | 01 | Permits | \$0 | \$50 | \$50 |
| Sub Total | | | | | \$0 | \$50 | \$50 |
| Training Professional Services | | | | | | | |
| 522 | 45 | 41 | 01 | Consulting Services | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$0 | \$0 | \$0 |
| Training Travel, Lodging, & Meals (TLM) | | | | | | | |
| 522 | 45 | 43 | 01 | Fire Training Travel, Lodging, & Meals (TLM) | \$755 | \$0 | \$1,000 |
| 522 | 45 | 43 | 02 | EMS Training TLM | \$220 | \$0 | \$0 |
| 522 | 45 | 43 | 03 | Special Ops Training TLM | \$187 | \$2,000 | \$2,900 |
| 522 | 45 | 43 | 04 | Officer Develop Training TLM | \$0 | \$3,500 | \$2,000 |
| 522 | 45 | 43 | 05 | Other Training TLM | \$5,446 | \$3,696 | \$904 |
| 522 | 45 | 43 | 06 | Commissioner Training TLM | \$5,646 | \$4,390 | \$5,655 |

Table 29. Training and Recruitment Division Budget (Continued)

| Training Travel, Lodging, & Meals (TLM) | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|---|----|----|----|--|-----------------|------------------|-----------------|
| 522 | 45 | 43 | 07 | CRR Training TLM | \$248 | \$450 | \$2,450 |
| 522 | 45 | 43 | 08 | Vision Training TLM | \$0 | \$0 | \$1,000 |
| Sub Total | | | | | \$12,501 | \$14,036 | \$15,909 |
| Advertising | | | | | | | |
| 522 | 45 | 44 | 01 | Recruitment Advertising | \$0 | \$1,000 | \$1,000 |
| Sub Total | | | | | \$0 | \$1,000 | \$1,000 |
| Operating Rentals & Leases | | | | | | | |
| 522 | 45 | 45 | 01 | Learning Management System | \$8,604 | \$10,480 | \$10,540 |
| 522 | 45 | 45 | 02 | Equipment Rental | \$0 | \$1,500 | \$1,500 |
| Sub Total | | | | | \$8,604 | \$11,980 | \$12,040 |
| Training Repair & Maintenance | | | | | | | |
| 522 | 45 | 48 | 01 | Equipment R&M (Miscellaneous) | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$0 | \$0 | \$0 |
| Training Miscellaneous | | | | | | | |
| 522 | 45 | 49 | 01 | Fire Training Registrations | \$2,320 | \$500 | \$4,000 |
| 522 | 45 | 49 | 02 | EMS Training Registrations | \$0 | \$3,540 | \$2,655 |
| 522 | 45 | 49 | 03 | Special Ops Training Registrations | \$850 | \$3,000 | \$3,200 |
| 522 | 45 | 49 | 04 | Officer Develop Training Registrations | \$7,327 | \$9,054 | \$6,020 |
| 522 | 45 | 49 | 05 | Other Training Registrations | \$4,260 | \$7,854 | \$1,550 |
| 522 | 45 | 49 | 06 | Commissioner Training Registrations | \$2,635 | \$1,185 | \$2,385 |
| 522 | 45 | 49 | 07 | Tuition | \$3,697 | \$7,500 | \$7,500 |
| 522 | 45 | 49 | 08 | Professional Memberships | \$123 | \$130 | \$130 |
| 522 | 45 | 49 | 09 | Subscriptions | \$0 | \$0 | \$0 |
| 522 | 45 | 49 | 10 | Vision Training | \$0 | \$1,000 | \$1,000 |
| 522 | 45 | 49 | 11 | CRR Training Registrations | \$0 | \$1,250 | \$1,250 |
| Sub Total | | | | | \$21,211 | \$35,013 | \$29,690 |

Total Training Division Budget**\$177,609 \$211,941 \$203,616****Major Expenditures/Changes**

Overall, the Adopted training and recruitment division budget decreased 3.93%. This decrease was largely the result of decreased external training, anticipating that the impact of the COVID-19 pandemic will continue into 2021.

Facilities Division

The facilities division maintains and minimizes the long-term operational cost of the district's real property and physical facilities such as fire stations and related infrastructure.

The facilities division is responsible for the following major programs and projects:

- Facilities maintenance
- Energy efficiency
- Facilities planning

Personnel Summary

While separate from a functional and budgetary perspective, the facilities division is entirely staffed by personnel from the community risk reduction division. Managed by a lieutenant, each shift is responsible for one of the district's fire stations with shared responsibility for Station 52 (the district's logistics facility).

Strategic Goals

The following strategic goals are of significance to the facilities division.

- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.
- Maintain adequate infrastructure to support operations.

In addition, the facilities division directly supports the district's strategic goal to be fiscally responsible and operate with transparency.

Performance Measures

Table 30 identifies the facilities division's strategic performance measures. Performance measures shaded light yellow are Adopted (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the district's performance management processes.

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Table 30. Facilities Division Performance Measures

| Community Perspective | | | | | |
|---|---|---|---------|--------|------|
| Strategic Goal | Outcome Measure | District Performance | | | |
| The facilities division has no performance measures in the community perspective | | | | | |
| Fiscal Stewardship Perspective | | | | | |
| Strategic Goal | Outcome Measure | District Performance | | | |
| The facilities division has no performance measures in the fiscal stewardship perspective | | | | | |
| Internal Process Perspective | | | | | |
| Strategic Goal | Outcome Measure | District Performance | | | |
| Identify and apply best practice to achieve continuous improvement, maximize effectiveness, efficiency, and value | Case examples of best practice implementation [qualitative/lead] | Facilities division manager, lieutenant Derik Vrable completed the required coursework and exams for the Facilities Maintenance Professional credential from the International Facilities Management Association. | | | |
| Resource Perspective | | | | | |
| Strategic Goal | Performance Driver | District Performance | | | |
| Maintain adequate infrastructure to support operations | Repair/preventative maintenance expenditure | Year | 2017 | 2018 | 2019 |
| | | Repair expense | 81.00% | 33.88% | TBD |
| | Percentage of repair work orders closed within 30 days of receipt. | Year | 2017 | 2018 | 2019 |
| | | Completion | 25.00% | 80.00% | TBD |
| | Percentage of preventative maintenance (PM) completed within the quarter in which it was scheduled. | Year | 2017 | 2018 | 2019 |
| | | Completion | No data | 84.59% | TBD |

Table 30. Facilities Division Performance Measures

| Resource Perspective | | |
|--|--|---|
| Strategic Goal | Performance Driver | District Performance |
| Maintain adequate infrastructure to support operations | Facilities codes and standards compliance [qualitative/lead] | All district facilities are compliant with code requirements at the time that they were constructed. The most significant deficiency related to compliance with current codes includes provision of diesel exhaust extraction systems at all three stations. These capital facilities projects are addressed in the district's capital projects plan. |

Accomplishments

Major facilities accomplishments in 2020 included the following:

- **Station 53 Apparatus Plan During Construction:** With the assistance of the operations division, developed a plan for apparatus storage and deployment during the construction of Station 53. This project focuses on the district's strategic goal to maintain adequate infrastructure to support operations and addresses Commission on Fire Accreditation International (CFAI) accreditation criterion 6B fixed facilities (performance indicator 6B.1 adequate space) (CFAI, 2015).
- **Station 51 & 54 Repair:** Continue replacement of failed multi-pane glazing in the apparatus room doors was replaced (this project was continued from 2019 due to cost). This project will address the district's strategic goal to maintain adequate infrastructure to support operations and addressed Commission on Fire Accreditation International (CFAI) accreditation criterion 6B fixed facilities (6B.2 buildings and grounds) (CFAI, 2015).
- **Renovation and Expansion of Station 53:** A conditional use permit and building permit will be obtained from Island County. This project focuses on the district's strategic goal to maintain adequate infrastructure to support operations and addressed Commission on Fire Accreditation International (CFAI) accreditation criterion 6B fixed facilities on a comprehensive basis (CFAI, 2015).

Projects

Major projects in 2021 include the following:

- **Renovation and Expansion of Station 53:** The project put to bid, bid awarded, and construction started (completion anticipated in the second quarter of 2022). This project focuses on the district's strategic goal to maintain adequate infrastructure to support operations. In addition, it addresses Commission on Fire Accreditation International (CFAI) accreditation criterion 6B fixed facilities on a comprehensive basis (CFAI, 2015).
- **Diesel Exhaust Removal Systems Station 51 and 54:** A diesel exhaust removal system will be installed at Stations 51 and 54. The goal of this project is to improve air quality in the buildings and industrial hygiene. In addition, it addresses the Commission on Fire Accreditation International (CFAI) accreditation criterion 6B fixed facilities (core competency 6B.3 identifying and addressing facilities hazards) (CFAI, 2025).

2021 Division Budget

Table 31 outlines the facilities division budget.

Table 31. Facilities Division Budget

| Facilities Intergovernmental Payments | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|--|----|----|----|----------------------------------|-----------------|------------------|-----------------|
| 522 | 50 | 20 | 01 | Property Tax (Forest Protection) | \$135 | \$150 | \$150 |
| Sub Total | | | | | \$135 | \$150 | \$150 |
| Facilities Salaries & Wages | | | | | | | |
| 522 | 50 | 30 | 01 | Project Overtime | \$0 | \$1,059 | \$1,136 |
| Sub Total | | | | | \$0 | \$1,059 | \$1,136 |
| Facilities Office & Operating Supplies | | | | | | | |
| 522 | 50 | 31 | 01 | Janitorial Supplies | \$1,668 | \$2,000 | \$2,000 |
| 522 | 50 | 31 | 02 | Station 51 (Operating Supplies) | \$507 | \$1,350 | \$1,400 |
| 522 | 50 | 31 | 03 | Station 52 (Operating Supplies) | \$60 | \$200 | \$200 |
| 522 | 50 | 31 | 04 | Station 53 (Operating Supplies) | \$965 | \$2,250 | \$2,300 |
| 522 | 50 | 31 | 05 | Station 54 (Operating Supplies) | \$444 | \$800 | \$800 |
| 522 | 50 | 31 | 06 | Training Center | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$3,645 | \$6,600 | \$6,700 |
| Facilities Fuel | | | | | | | |
| 522 | 50 | 32 | 01 | Training Propane | \$0 | \$0 | \$0 |
| 522 | 50 | 32 | 03 | Station 51 Propane | \$3,490 | \$8,000 | \$8,000 |
| 522 | 50 | 32 | 07 | Station 52 Propane | \$0 | \$500 | \$500 |
| 522 | 50 | 32 | 10 | Station 53 Propane | \$4,156 | \$4,500 | \$4,500 |
| 522 | 50 | 32 | 13 | Station 54 Propane | \$3,670 | \$5,500 | \$5,500 |
| Sub Total | | | | | \$11,316 | \$18,500 | \$18,500 |
| Facilities Small Tools & Equipment | | | | | | | |
| 522 | 50 | 35 | 01 | Facilities Furniture | \$977 | \$1,000 | \$1,000 |
| 522 | 50 | 35 | 02 | Facilities Equipment & Tools | \$411 | \$1,200 | \$1,000 |
| 522 | 50 | 35 | 03 | Grounds Equipment | \$1,740 | \$1,200 | \$0 |
| 522 | 50 | 35 | 04 | Fitness Equipment | \$517 | \$1,500 | \$1,500 |
| Sub Total | | | | | \$3,645 | \$4,900 | \$3,500 |

Table 31. Facilities Division Budget (Continued)

| Intergovernmental Professional Services | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|---|----|----|----|------------------------------------|-----------------|------------------|-----------------|
| 522 | 50 | 40 | 01 | Station 51 Water Heater Inspection | \$155 | \$155 | \$155 |
| 522 | 50 | 40 | 02 | Station 53 Water Heater Inspection | \$124 | \$124 | \$124 |
| 522 | 50 | 40 | 03 | Station 54 Water Heater Inspection | \$155 | \$155 | \$155 |
| Sub Total | | | | | \$433 | \$434 | \$434 |
| Facilities Professional Services | | | | | | | |
| 522 | 50 | 41 | 01 | Burn Building Inspection | \$0 | \$0 | \$0 |
| 522 | 50 | 41 | 02 | Generator Testing & Maintenance | \$1,199 | \$2,400 | \$3,000 |
| 522 | 50 | 41 | 04 | Fire & Security Systems | \$2,507 | \$4,400 | \$4,400 |
| 522 | 50 | 41 | 05 | Fire Extinguishing Inspection | \$0 | \$600 | \$600 |
| 522 | 50 | 41 | 06 | Pest Control Services | \$1,062 | \$2,100 | \$2,100 |
| Sub Total | | | | | \$4,768 | \$9,500 | \$10,100 |
| Facilities Operating Rentals & Leases | | | | | | | |
| 522 | 50 | 45 | 01 | Equipment Rental | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$0 | \$0 | \$0 |
| Facilities Utilities | | | | | | | |
| 522 | 50 | 47 | 01 | Station 51 Electric | \$5,041 | \$5,500 | \$5,500 |
| 522 | 50 | 47 | 02 | Station 51 Garbage | \$197 | \$2,000 | \$2,000 |
| 522 | 50 | 47 | 03 | Station 51 Water | \$768 | \$1,000 | \$1,000 |
| 522 | 50 | 47 | 04 | Station 52 Electric | \$230 | \$600 | \$600 |
| 522 | 50 | 47 | 05 | Station 52 Garbage | \$0 | \$0 | \$0 |
| 522 | 50 | 47 | 06 | Station 53 Electric | \$8,358 | \$10,000 | \$8,000 |
| 522 | 50 | 47 | 07 | Station 53 Garbage | \$2,978 | \$3,100 | \$3,300 |
| 522 | 50 | 47 | 08 | Station 54 Electric | \$2,141 | \$3,600 | \$3,600 |
| 522 | 50 | 47 | 09 | Station 54 Garbage | \$0 | \$0 | \$0 |
| 522 | 50 | 47 | 10 | Training Center Electric | \$579 | \$1,200 | \$1,200 |
| 522 | 50 | 47 | 11 | Landfill Fees | \$0 | \$2,000 | \$2,000 |
| 522 | 50 | 47 | 12 | Station 53 Water | \$1,768 | \$1,800 | \$2,100 |
| 522 | 50 | 47 | 13 | Station 54 Water | \$480 | \$480 | \$480 |
| Sub Total | | | | | \$22,540 | \$31,280 | \$29,780 |

Table 31. Facilities Division Budget (Continued)

| Facilities Repair & Maintenance | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|---|----|----|----|-----------------------------|-----------------|------------------|-----------------|
| 522 | 50 | 48 | 01 | Station 51 (Repair & Maint) | \$5,383 | \$9,200 | \$9,200 |
| 522 | 50 | 48 | 02 | Station 52 (Repair & Maint) | \$200 | \$1,000 | \$3,000 |
| 522 | 50 | 48 | 03 | Station 53 (Repair & Maint) | \$3,977 | \$4,850 | \$4,850 |
| 522 | 50 | 48 | 04 | Station 54 (Repair & Maint) | \$10,645 | \$8,200 | \$8,200 |
| 522 | 50 | 48 | 05 | Training Center | \$42 | \$2,000 | \$2,000 |
| Sub Total | | | | | \$20,247 | \$25,250 | \$27,250 |
| Total Facilities Division Budget | | | | | \$66,729 | \$97,673 | \$97,550 |

Major Expenditures/Changes

The facilities division budget decreased 0.13%. There are no major expenditures or changes in the facilities division budget.

Fleet Maintenance Division

The fleet maintenance division inspects, maintains, and repairs the district's apparatus to ensure operational reliability and minimize the ongoing expense for fire apparatus, other vehicles, and equipment.

The fleet maintenance division is responsible for the following major programs and projects.

- Fleet Maintenance program management
- Apparatus inspection and testing
- Preventative maintenance
- Repair
- Specifications for apparatus and support vehicle purchase

Personnel Summary

The fleet maintenance division is staffed by a firefighter/mechanic who manages the district's fleet maintenance program, serves as a mechanic, and maintains an operational role as a firefighter/emergency medical technician.

Strategic Goals

The following strategic goals are of significance to the fleet maintenance division.

- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.
- Maintain adequate infrastructure to support operations.

In addition, the fleet maintenance division directly supports the district's strategic goal to be fiscally responsible and operate with transparency.

Performance Measures

Table 32 identifies the fleet maintenance division's strategic performance measures. Performance measures shaded light yellow are Adopted (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the district's performance management processes.

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Table 32. Fleet Maintenance Division Performance Measures

| Community Perspective | | | | | |
|---|--|---|------|------|------|
| Strategic Goal | Outcome Measure | District Performance | | | |
| The fleet maintenance division has no performance measures in the community perspective | | | | | |
| Fiscal Stewardship Perspective | | | | | |
| Strategic Goal | Outcome Measure | District Performance | | | |
| The fleet maintenance division has no performance measures in the fiscal stewardship perspective | | | | | |
| Internal Process Perspective | | | | | |
| Strategic Goal | Outcome Measure | District Performance | | | |
| Identify and apply best practice to achieve continuous improvement, maximize effectiveness, efficiency, and value | Case examples of best practice implementation [qualitative/lead] | CWIFR’s fleet maintenance division manager maintained qualification as a master emergency vehicle technician (EVT) for fire apparatus and ambulances. As such he is only one of 84 EVTs in Washington state and 504 nationwide with this qualification. | | | |
| Resource Perspective | | | | | |
| Strategic Goal | Performance Driver | District Performance | | | |
| Maintain adequate infrastructure to support operations | Percentage of apparatus in-service time by kind and type. | Year | 2017 | 2018 | 2019 |
| | | Type one engines | 96% | 92% | 95% |
| | | Type one tenders | 99% | 99% | 99% |
| | | Type six engines | 98% | 99% | 99% |
| | | Discussion: Apparatus in-service times are maintained or improved by following <i>National Fire Protection Association (NFPA) 1911 Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus</i> (NFPA, 2017) and manufacturers recommended maintenance schedules. | | | |

Table 32. Fleet Maintenance Division Performance Measures (Continued)

| Resource Perspective (Continued) | | |
|--|---|-----------------------------|
| Strategic Goal | Performance Driver | District Performance |
| Maintain adequate infrastructure to support operations | Total apparatus maintenance cost/replacement cost (Fleet Condition Index) | Adopted performance measure |
| Maintain adequate infrastructure to support operations | Planned fleet maintenance cost/unplanned repair cost. | Adopted performance measure |
| Maintain adequate infrastructure to support operations | Fleet codes and standards compliance. [qualitative/lead] | Adopted performance measure |

Accomplishments

Major fleet maintenance division accomplishments in 2020 included:

- **Type One Engine Procurement:** Completed specifications and procurement of three type one engines to replace apparatus in the existing fleet. In-progress inspection, testing, and acceptance will be completed in 2021. This project focuses on the district's strategic goals to maintain adequate infrastructure to support operations and be fiscally responsible and operate with transparency. This project also addressed CFAI accreditation criterion 6C Apparatus, Vehicles, and Maintenance on a comprehensive basis (CFAI, 2015).
- **Type Five & Six Engines:** Completed specifications, procurement, and acceptance of two type five wildland engines to replace apparatus in the existing fleet to improve the districts wildland firefighting capability. Completed sale of the two surplus type six wildland engines. This project focuses on the district's strategic goals to maintain adequate infrastructure to support operations and be fiscally responsible and operate with transparency. This project also addressed CFAI accreditation criterion 6C Apparatus, Vehicles, and Maintenance on a comprehensive basis (CFAI, 2015).

Projects

Major Projects in 2021 include the following:

- **Type One Engine Inspection, Testing, and Delivery:** Continue in-progress inspections and testing with acceptance of three type one engines by the end of the 2nd quarter of 2021. Manage surplus and sale of three existing type one engines. This project focuses on the district's strategic goals to maintain adequate infrastructure to support operations and be fiscally responsible and operate with transparency. This project also addresses CFAI accreditation criterion 6C Apparatus, Vehicles, and Maintenance on a comprehensive basis (CFAI, 2015).
- **Parts Inventory System:** Complete the creation of a physical system for parts inventory by creating numeric bins and locations that will be integrated with our existing fleet maintenance software. This project supports the district's strategic goals to maintain adequate infrastructure and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project will address the CFAI accreditation criterion 6D apparatus maintenance (performance indicator 6D.2 apparatus maintenance and repair facility) (CFAI, 2015).

- Staffing Level Assessment:** Develop and implement time tracking for fleet management, training, and miscellaneous tasks. Data from our fleet software identifies how many direct labor hours are associated with physically working on the fleet. Analysis of these data sets will assist in identification of required staffing levels based on fleet size and maintenance requirements. This project addresses the district's strategic goal to ensure adequate staffing and CFAI Accreditation criterion 6D apparatus maintenance (performance indicators 6D.3 staffing and 6D.4 supervision).

2021 Division Budget

Table 33 outlines the fleet maintenance division budget.

Table 33. Fleet Maintenance Division Budget

| Fleet Maintenance Salaries & Wages | | | | | 2019 Actual | 2020 Amended | 2021 Adopted |
|---|----|----|----|---|-----------------|-----------------|------------------|
| 522 | 60 | 11 | 01 | FT FF Mechanic | \$86,446 | \$89,561 | \$93,227 |
| 522 | 60 | 12 | 01 | FT FF Mechanic (Vehicle Maintenance OT) | \$0 | \$1,190 | \$1,277 |
| 522 | 60 | 13 | 01 | FT FF Mechanic (Educational Incentive) | \$1,648 | \$1,797 | \$1,865 |
| 522 | 60 | 14 | 01 | FT FF Mechanic (Other OT) | \$0 | \$0 | \$0 |
| 522 | 60 | 15 | 01 | Fully Qualified Incentive | \$0 | \$0 | \$0 |
| 522 | 60 | 16 | 01 | Longevity | \$0 | \$0 | \$0 |
| 522 | 60 | 19 | 01 | FT FF Mechanic (Def Comp) | \$3,296 | \$3,584 | \$3,729 |
| Sub Total | | | | | \$91,391 | \$96,132 | \$100,098 |
| Fleet Maintenance Benefits | | | | | | | |
| 522 | 60 | 21 | 01 | FT FF Mechanic (Medicare Only) | \$1,269 | \$1,320 | \$1,394 |
| 522 | 60 | 22 | 01 | FT FF Mechanic (L&I) | \$3,292 | \$4,403 | \$4,486 |
| 522 | 60 | 23 | 01 | FT FF Mechanic (Medical & Dental) | \$23,942 | \$23,942 | \$23,942 |
| 522 | 60 | 24 | 01 | FT FF Mechanic (LEOFF) | \$4,749 | \$5,061 | \$5,335 |
| Sub Total | | | | | \$33,252 | \$34,726 | \$35,158 |
| Fleet Maintenance Office and Operating Supplies | | | | | | | |
| 522 | 60 | 31 | 01 | Apparatus R&M Supplies | \$2,549 | \$3,174 | \$3,674 |
| 522 | 60 | 31 | 02 | Computer Software | \$870 | \$2,650 | \$3,427 |
| 522 | 60 | 31 | 03 | Computer Hardware | \$0 | \$0 | \$1,500 |
| 522 | 60 | 31 | 04 | Uniforms - Mechanic | \$0 | \$500 | \$500 |
| 522 | 60 | 31 | 05 | Office Supplies | \$0 | \$300 | \$300 |
| Sub Total | | | | | \$3,419 | \$6,624 | \$9,401 |

Table 33. Fleet Maintenance Division Budget (Continued)

| Fleet Maintenance Small Tools & Minor Equipment | | | | | 2019 Actual | 2020 Amended | 2021 Adopted |
|---|----|----|----|-------------------------------|------------------|------------------|------------------|
| 522 | 60 | 35 | 01 | Personal Protective Equipment | \$0 | \$285 | \$285 |
| 522 | 60 | 35 | 02 | Vehicle Maintenance Tools | \$3,048 | \$3,000 | \$2,500 |
| 522 | 60 | 35 | 03 | Computer Equipment | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$3,048 | \$3,285 | \$2,785 |
| Fleet Maintenance Travel, Lodging, & Meals | | | | | | | |
| 522 | 60 | 43 | 01 | Vehicle Maintenance Meetings | \$45 | \$250 | \$500 |
| Sub Total | | | | | \$45 | \$250 | \$500 |
| Fleet Maintenance Operating Rentals & Leases | | | | | | | |
| 522 | 60 | 45 | 01 | Equipment Rental | \$0 | \$500 | \$500 |
| Sub Total | | | | | \$0 | \$500 | \$500 |
| Fleet Repair & Maintenance | | | | | | | |
| 522 | 60 | 48 | 01 | Apparatus R&M | \$33,715 | \$31,180 | \$33,550 |
| Sub Total | | | | | \$33,715 | \$31,180 | \$33,550 |
| Fleet Maintenance Miscellaneous | | | | | | | |
| 522 | 60 | 49 | 01 | Miscellaneous | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$0 | \$0 | \$0 |
| Total Fleet Maintenance Division Budget | | | | | \$164,871 | \$172,697 | \$181,991 |

Major Expenditures/Changes

The fleet maintenance division budget increased 5.38%. Compensation increases in the 2019-2021 *Collective Bargaining Agreement between the Central Whidbey Island Fire & Rescue and Local 4299 International Association of Firefighters (IAFF)* (CWIFR & Local 4299, 2019) was the major factor influencing the fleet maintenance division budget. In addition, the fleet maintenance division shifted its database from a district server to cloud based software as a service (SAS). This increased expense, but increased security and flexibility.

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General Fund Contingency

Contingency is a budgeted line item within the general fund. The purpose of contingency is to provide a reserve for unanticipated, but critical expenses or for expenses that were anticipated but not known in detail during budget preparation. The board of fire commissioners has established policy that contingency be funded in the amount of 10% of anticipated operating expenses. For the purposes of budgetary reporting within the context of the Budgeting, Accounting, and Reporting System (BARS), contingency is reported as part of the general fund.

Since establishment of contingency in 2012, the district funds this line at 10% of budgeted operating expenses. Transfer of funds from contingency to other lines within the general fund requires an affirmative vote of the board of fire commissioners

In 2019, \$76,401 was transferred from the contingency fund to the general fund for the following:

- Expense of compensation increases related to renegotiation of the collective bargaining agreement with Local 4299 International Association of Firefighters (retroactive to January 1, 2019)
- Hiring one additional full-time firefighter/emergency medical technician on October 1, 2019 based on an increase in revenue from the district's interlocal agreement for staffing a basic life support (BLS) ambulance for WhidbeyHealth.
- Shift coverage overtime expense related to a long-term illness/pending workers compensation claim, reduction in part-time staffing and to maintain qualified apparatus operators while new part-time staff are trained and evaluated as apparatus operators.

No transfer from contingency was required in 2020 and no transfer is anticipated in 2021.

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Capital Projects Fund

Capital Projects Plan

Capital assets are items having a cost greater than \$5,000 and a service life of greater than one year (e.g., major equipment, fire apparatus, and fire stations). In addition, items with a unit price less than \$5,000, but purchased in large enough quantity to reach the \$5,000 threshold have been combined into capital projects. Purchase of automatic external defibrillators (AEDs) is one example of this type of project. Prior to 2020, purchase of fire hose and related equipment was included as a capital project. However, as this project is an annual expense and funds were not accumulated over time for fire hose replacement; this project was returned to the general fund as a line item expense.

There are many benefits that result from an effective capital planning process. The process of prioritizing capital investments can make sure key assets are repaired or replaced before their end of service life or critical failure. In addition, a sound capital projects plan allows us to engage our community in understanding the costs and benefits of maintaining capital infrastructure.

Integrated Comprehensive Plan

Planning for capital projects is a component of the Central Whidbey Island Fire & Rescue's (CWIFR's) integrated comprehensive plan (ICP). Volume 6 of the ICP (CWIFR, 2020b) establishes a long-term, prioritized schedule of capital investments to ensure that the district has sufficient resources to fulfill its mission and critical assets are refurbished or replaced before they reach their end of useful life. This plan identifies capital projects scheduled over the next ten years. The capital projects plan supports the district's strategic goals to:

- Maintain adequate infrastructure to support operations
- Be fiscally responsible and operate with transparency

Download CWIFR *Integrated Comprehensive Plan (ICP) Volume 6-Capital Projects* or review the plan online at the district's website (www.cwfire.org).

Capital Planning Calendar and Workflow

As specified in *Standard Operating Guideline (SOG) 1.4.1 Integrated Comprehensive Planning (2018x)* and *Standard Operating Guideline 1.4.7 Capital Projects (CWIFR, 2017o)*, capital planning is an ongoing process in which the district's capital plan is reviewed and updated on an annual basis. Annual review and extension of the capital plan ensures that it remains current, continues to address critical needs of the district, and maintains a 10-year planning horizon.

As illustrated in Table 35, the annual capital plan review and revision process is scheduled for completion between January and May. However, in 2020 this process was delayed due to the impact of the COVID-19 pandemic with the capital plan being adopted by the board of fire commissioners in September.

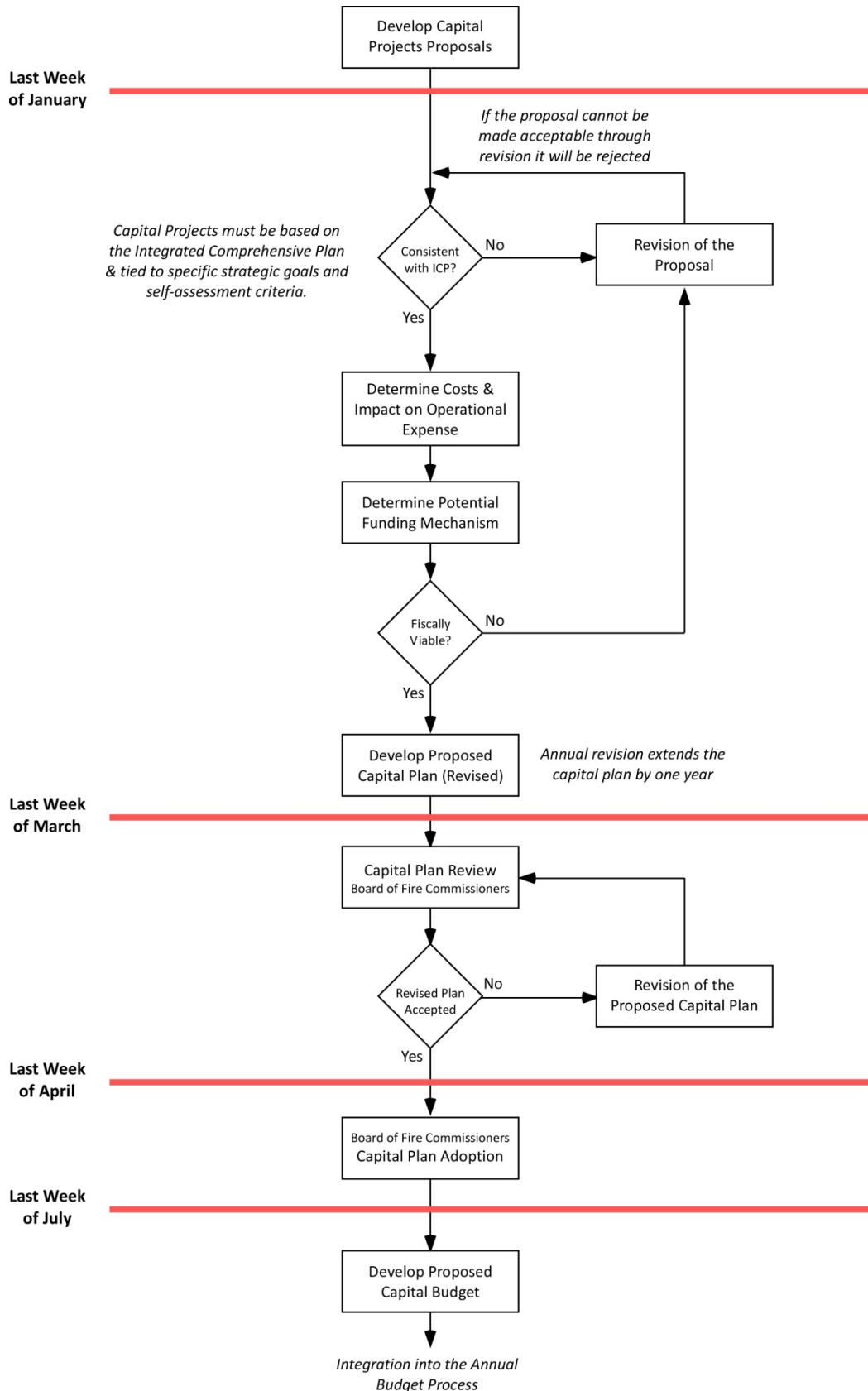
Table 34. Capital Planning Calendar

| Month | Activity |
|----------|--|
| January | Submittal of new capital projects (annual/as needed) |
| February | Review & assess Adopted new or revised capital projects based on strategic goals, initiatives, fire and emergency services self-assessment, & fiscal viability Develop revised capital plan |
| March | |
| April | Board of fire commissioners review of revised capital plan Revision of the capital plan based on board direction |
| May | Adoption of the capital plan by resolution |

Capital projects identified for the current budget year in the *Integrated Comprehensive Plan (ICP)- Volume 6 Capital Projects Plan* (CWIFR, 2020b) form the basis for the district's capital projects fund budget.

The process for addition of capital projects as well as review and revision of the existing capital projects plan is illustrated in Figure 25.

Figure 25. Capital Planning Process



Overview of the Capital Projects Fund

Prior to establishing the capital projects fund in 2012, the district's finances were managed using a single fund (general fund) and capital purchases were made using the unappropriated balance of the fund. The district established the capital projects fund to increase transparency and accountability of fiscal resources used for capital projects.

Historically, the district has maintained an extremely conservative philosophy regarding funding for apparatus and equipment purchases by operating on a pay as you go basis. Using this approach, apparatus and equipment are amortized on a straight-line basis and funds are accumulated in the capital projects fund in anticipation of future purchases and cash is paid at the time of purchase. However, in 2017 the district implemented a policy that debt may be considered for major capital projects such as fire station construction and purchase of apparatus. The district also established the bond fund to ensure accountability and transparency for bond revenue and related capital projects. Additional information on the bond fund and projects funded with debt is provided in the bond fund section of this budget document.

The capital projects schedule presented in Table 35 is based on transfer of sufficient funds to the capital projects fund in future years to provide a sufficient cash flow and fund balance to fund future purchases of apparatus, capital equipment, and some capital facilities projects inclusive of inflation in the cost of capital projects. The district's *Integrated Comprehensive Plan Volume 6-Capital Projects Plan (CWIFR, 2020b)* provides additional detail on the schedule of capital expenditures.

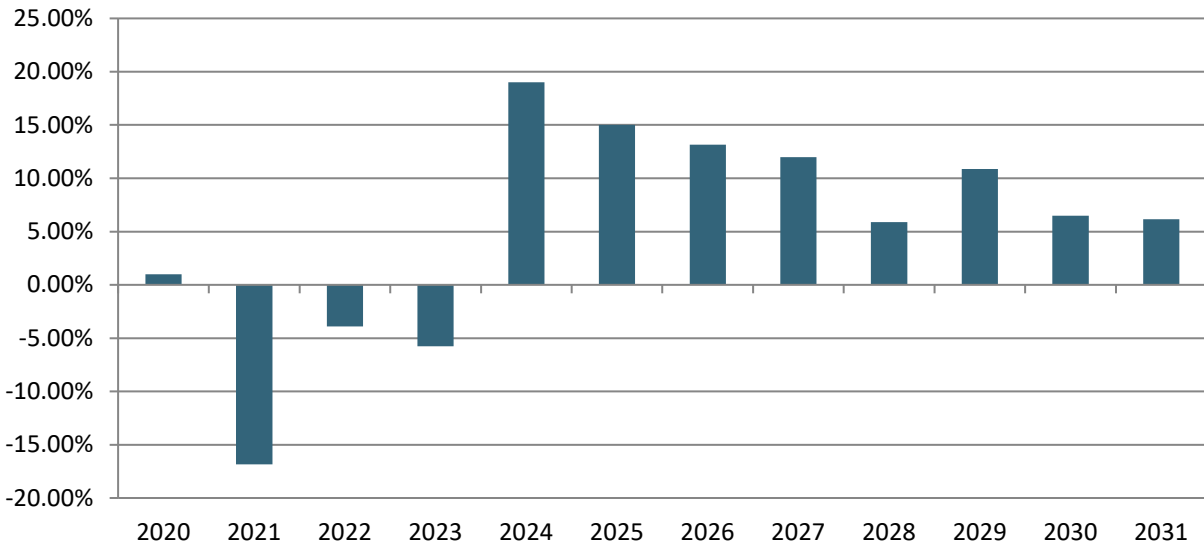
Fund Balance and Trends

Two of the district's fiscal performance measures relate directly to the capital projects fund:

- Percentage change in the capital projects fund (ending) balance on an annual basis
- Percentage of full funding of the capital projects fund based on straight line amortization of the future expense of capital projects (inclusive of inflation).

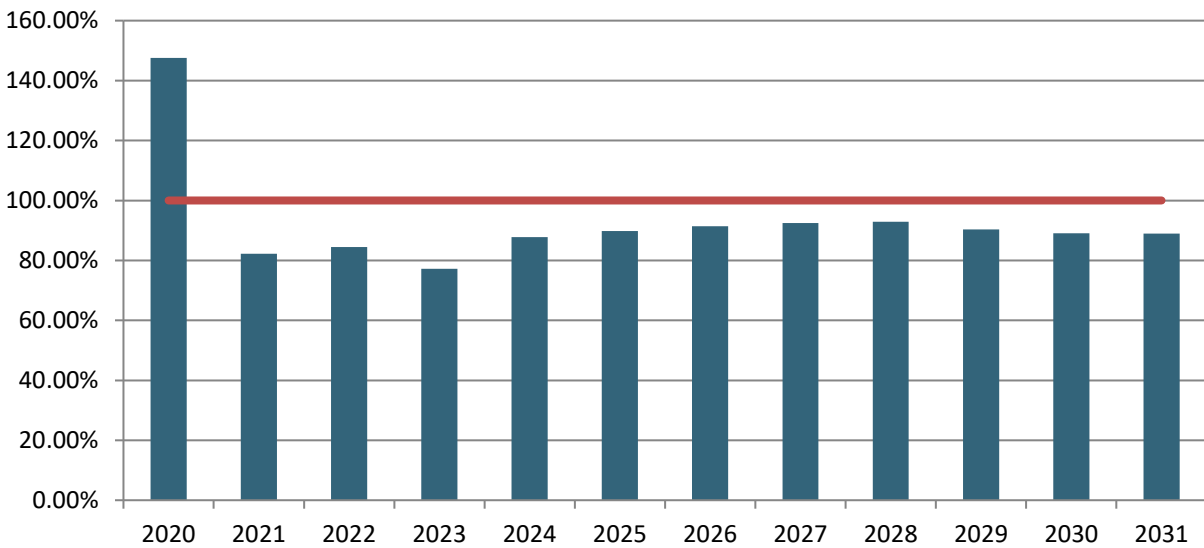
Figures 26 and 27 illustrate historical and projected values for these two measures.

Figure 26. Percentage Change in Capital Projects Ending Fund Balance 2018 through 2030



As illustrated in Figure 26, the percentage change in the ending fund balance varies considerably based on capital projects funded within the given year with significant decreases in fund balance in years where large or multiple projects are budgeted and increases in years where few or no projects are budgeted.

Figure 27. Percentage Full Funding of the Capital Projects Fund 2018 through 2030



As illustrated in Figure 27, the capital projects fund is currently funded in excess of 100% based on straight line amortization of the future expense of planned capital projects and delay or deferral of several vehicle purchases. However, fund balance will drop below 100% of the straight-line amortized cost of future projects in 2020. While the capital projects fund remains less than 100% funded over the next ten years, cash flow is adequate to address the district’s capital projects requirements.

Considerations

The capital projects fund has sufficient funding for the district's projected apparatus and equipment needs and current funding has allowed the district to fund several important facility projects to improve the health and safety of our members. However, Central Whidbey Island Fire & Rescue (CWIFR) has a number of identified capital facilities needs that are not currently programmed in the capital projects plan and will eventually need to be funded.

2021-2031 Capital Projects Plan

The capital projects plan examines anticipated capital projects that will occur over a ten-year period.

Capital Projects Plan Changes

Several capital projects were added to the capital projects plan in 2020. These projects are not new in the sense that they are for replacement of existing equipment that was not previously included in the amortization schedule for capital assets and in the capital projects plan. These include replacement of the four-wheel drive tractor used for grounds maintenance at district facilities (in 2021) and the district's utility terrain vehicle (UTV) (Apparatus 0201) in 2022.

Prior to 2020, purchase of fire hose and related equipment was funded as a capital project as the total annual cost exceeded \$5000. However, individual sections of hose or purchases of a given size hose fall below the threshold for capital projects. As hose replacement is an annual expense (based on the age of hose and hose test results), this project was moved to a line item in the operations division budget within the general fund in 2020.

Current Projects

Table 35 outlines projects included in the district's current 10-year capital projects plan that are funded by the capital projects fund. Projects funded by the bond fund are addressed in the bond fund section of the budget document. Additional detail on funding for major capital projects is provided in the district's long-term financial plan (summary of which is provided in Appendix C).

Table 35. 2019-2031 Capital Projects Schedule

| Apparatus | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|----------------------------------|---|-----------|---------------|-----------|-----------|----------|----------|----------|----------|------|----------|----------|------|
| 594 22 64 20 | Replace Apparatus 0703 (A53) with R53 | \$3,428 | | | | | | | | | | | |
| 594 22 64 34 | Replace Apparatus 0601 & 0602 (B53 & B54) | \$121,948 | \$219,196 | | | | | | | | | | |
| 594 22 64 40 | Apparatus 1502 (M5) Cabin Seating Replacement | \$24,643 | | | | | | | | | | | |
| 574 22 64 02 | Replace Apparatus 1301 (S591) | | | | | \$18,563 | | | | | | | |
| 594 22 64 16 | Replace Apparatus 9501 (S593 Fleet Services) | | | \$120,000 | | | | | | | | | |
| 594 22 64 41 | Replace Kubota Tractor | | | \$19,515 | | | | | | | | | |
| 594 22 64 15 | Replace Apparatus 9402 (R51) | | | | \$106,206 | | | | | | | | |
| 594 22 64 42 | Replace Apparatus 0201 (Gator & Trailer) | | | | \$19,169 | | | | | | | | |
| 574 22 64 36 | Replace Apparatus 1201 (R53) | | | | | | | | \$92,211 | | | | |
| 594 22 64 37 | Replace Apparatus 1501 (C505) | | | | | | | | | | | \$94,211 | |
| 594 22 64 12 | Replace Apparatus 1402) (C502) | | | | | | | | | | \$94,211 | | |
| Equipment | | | | | | | | | | | | | |
| 594 22 64 14 | Hose & Appliances | | To GF in 2020 | | | | | | | | | | |
| 594 22 64 39 | Patient Simulator | | | | | | | | | | | | |
| 594 22 64 31 | Extrication Equipment Replacement | | \$45,000 | | | | | | | | | | |
| 594 22 64 21 | SCBA/Cylinder Replacement | | \$299,500 | | | | | | | | | | |
| 594 22 64 05 | Replace/Upgrade AEDs | | | | \$29,931 | | | | | | | | |
| 594 22 64 43 | Fit Test Machine | | | | | | | \$14,859 | | | | | |
| 594 22 64 19 | Thermal Imager (TI) Replacement | | | | | | | | \$38,047 | | | | |
| Technology Infrastructure | | | | | | | | | | | | | |
| 594 22 64 33 | Radio Communications System ⁶ | | | | | | | | | | | | |
| 594 22 64 40 | Portable Radio Replacement (P25) | | | | \$185,000 | | | | | | | | |
| 594 22 64 11 | Server Replacement | | | | | | \$19,528 | | | | | | |
| 594 22 64 38 | Firewall Replacement | | | | | | | | | | | | |
| 594 22 64 24 | IT Infrastructure Improvements ⁷ | | | | | | | | | | | | |
| 594 22 63 11 | Telephone System Replacement | \$18,896 | | | | | | | | | | | |
| 522 22 64 42 | Security System | | | | | | | | | | | | |

⁶ Radio communications infrastructure improvements are funded at \$10,000 per year with specific projects to be identified in the district’s technology plan (under development)

⁷ Information technology improvements are funded at \$4,000 per year with specific projects to be identified in the district’s technology plan (under development)

Table 35. 2019-2031 Capital Projects Schedule (Continued)

| Facilities | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---------------------------|--|------------------|------------------|------------------|------------------|------------|-----------------|-----------------|-----------------|------------------|------------|-----------------|-----------------|------------|
| 594 22 63 08 | Station 51 Backup Power Generator | \$26,849 | | | | | | | | | | | | |
| 594 22 63 12 | Access, Fire & Security System Replacement | | | \$10,000 | | | | | | | | | | |
| 594 22 63 09 | Station 51 Exhaust Removal System | | | \$80,500 | | | | | | | | | | |
| 594 22 63 10 | Station 54 Exhaust Removal System | | | \$80,500 | | | | | | | | | | |
| 594 22 63 07 | Replace Roof Covering Burn Building/Tower | | | \$6,000 | | | | | | | | | | |
| <i>Not Scheduled</i> | Station 51 Renovation & Expansion | | | | | | | | | | | | | |
| <i>Not Scheduled</i> | Station 54 Renovation & Expansion | | | | | | | | | | | | | |
| Total Expenditures | | \$195,764 | \$563,696 | \$316,515 | \$340,306 | \$0 | \$18,563 | \$19,528 | \$14,859 | \$130,258 | \$0 | \$94,211 | \$94,211 | \$0 |

Capital Projects Budget

Table 36 illustrates the 2021 capital projects budget.

Table 36. Capital Projects Budget

| Apparatus | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|---------------------------|---|----------------|------------------|-----------------|
| 594 22 64 20 | Replace Apparatus 0703 (A53) with R53 | \$3,428 | | |
| 594 22 64 34 | Replace Apparatus 0601 & 0602 (B53 & B54) | \$121,948 | \$219,196 | |
| 594 22 64 40 | Apparatus 1502 (M5) Cabin Seating Replacement | \$24,643 | | |
| 594 22 64 16 | Replace Apparatus 9501 (S593 Fleet Services) | | | \$120,000 |
| 594 22 64 41 | Replace Kubota Tractor | | | \$19,515 |
| Equipment | | | | |
| 594 22 64 31 | Extrication Equipment Replacement | | \$45,000 | |
| 594 22 64 21 | SCBA/Cylinder Replacement | | \$299,500 | |
| Technology Infrastructure | | | | |
| 594 22 63 11 | Telephone System Replacement | \$18,896 | | |
| Facilities | | | | |
| 594 22 63 08 | Station 51 Backup Power Generator | \$26,849 | | |
| 594 22 63 12 | Access, Fire & Security System Replacement | | | \$10,000 |
| 594 22 63 09 | Station 51 Exhaust Removal System | | | \$80,500 |
| 594 22 63 10 | Station 54 Exhaust Removal System | | | \$80,500 |
| 594 22 63 07 | Replace Roof Covering Burn Building/Tower | | | \$6,000 |
| Total Expenditures | | \$195,764 | \$563,696 | \$316,515 |

Capital Projects & Justification

The following section of the budget document provides the description, purpose, and justification for each capital project in the current year. In addition, each project is tied to the specific strategic goals supported by each investment in capital infrastructure.

Replace Apparatus 9501

Description: Purchase of a utility truck and installation of related equipment (e.g., warning lights, radio, hydraulic lift gate) for use as the district's fleet maintenance and service vehicle. If possible, this apparatus would be constructed on the same or similar platform as the district's Type 6 Engines, a diesel powered, four-wheel drive chassis with a GVWR of 19,500 pounds (e.g., Dodge Tradesman 5500 or equivalent) to minimize parts inventory. The vehicle chassis would be similar to that in Figure 28 with a utility body.

Figure 28. Example of Chassis and Cab (would be equipped with a utility body and hydraulic lift gate)



Purpose & Justification: Apparatus 9501 (initially in service as a Rescue/Type 6 Engine) was repurposed to serve as the fleet maintenance vehicle in 2013 and reached its anticipated end useful life of 15 years in 2010. Effective preventative maintenance has allowed extension of its service life with anticipated replacement in 2021. Use of a similar platform as the district's Type 6 Engines minimizes parts inventory requirements and simplifies preventative maintenance.

Strategic Goal & Initiative: This project supports the district's strategic goal to maintain adequate infrastructure to support operations [Resources] and the related initiative to maintain the district's apparatus and equipment to minimize operational cost over their lifecycle. In addition, this project supports the district's strategic goal to reduce incident frequency and severity [Community] and the related initiative to improve operational capability to address community risks.

CFAI Performance Indicator: This project supports Commission on Fire Accreditation International (CFAI) accreditation criterion 6C apparatus and vehicles (core competency 6C.1 apparatus types are appropriate for the functions served (e.g., operations, staff support services, specialized services, and administration) and performance indicator 6C.2 a current replacement schedule exists for all apparatus and support vehicles based on current federal and state/provincial recognized standards, vehicle condition, department needs, and requirements) (CFAI, 2015).

Table 37. Funding for Capital Project 594 22 64 16

| Funding Source | Amount |
|-------------------------|-----------|
| Debt | |
| Capital Projects Fund | \$120,000 |
| Grant Funding (Specify) | |
| Other | |
| Total | \$120,000 |

Estimated Change in Operational Expense: This project will maintain current operational expense by increasing fleet reliability (reduced future repair cost).

Replace Kubota Tractor

Description: This project provides for replacement of the district's Kubota BX 2350 compact utility tractor used for grounds maintenance with multiple lawn mowers (similar to that illustrated in Figure 29). This four-wheel drive tractor has a three-cylinder Kubota Diesel Engine that produces 23 horsepower and is equipped with a power takeoff and a three-point hitch. The tractor is also equipped with rotary mower deck, brush mower, front end loader, and box blade attachments.

Most of the attachments for the current machine are not used on a frequent basis (or at all in the preceding 10-years). The majority of the district's grounds maintenance needs involve mowing and as such it will likely be more cost effective to downsize from a compact utility tractor to slightly smaller mowing equipment distributed between the district's stations.

Figure 29. Example of Lawn Mower



Priority: Moderate

Purpose & Justification: Each of the district's facilities has somewhat different grounds maintenance requirements which include significant lawn areas that require frequent mowing in the spring and early summer months. This tractor has proved serviceable for mowing at Stations 53 and 54 which have the largest open lawn area. Prior to replacing this tractor, the facilities division will perform an assessment to the most appropriate equipment based on the district's needs.

Strategic Goal and Initiative: This project supports the district's strategic goal to maintain adequate infrastructure to support operations [Resources] and the related initiative to maintain the district's apparatus and equipment to minimize operational cost over their lifecycle.

CFAI Performance Indicator: This project supports Commission on Fire Accreditation International (CFAI) accreditation criterion 6C apparatus and vehicles (core competency 6C.1 apparatus types are appropriate for the functions served (e.g., operations, staff support services, specialized services, and administration) and 6C.2 a current replacement schedule exists for all apparatus and support vehicles based on current federal and state/provincial recognized standards, vehicle condition, department needs, and requirements (CFAI, 2015).

Table 38. Funding for Capital Project 594 22 64 41

| Funding Source | Amount |
|--|----------|
| Debt | |
| Capital Projects Fund | \$10,216 |
| Grant Funding (Specify) | |
| Other (Revenue from sale of existing Kubota BX-2350) | \$9,000 |
| Total | \$1,216 |

Estimated Change in Operational Expense: Replacement of this tractor with newer (and possibly different) equipment is estimated to have limited impact on operational expense with similar maintenance costs, but reduced repair cost.

Station 51 and Station 54 Exhaust Removal System

Note: Projects 594 22 63 09 Station 51 Exhaust Removal System and 594 22 63 10 Station 54 Exhaust Removal System are identical, but for different facilities.

Description: These projects involve purchase and installation of a diesel exhaust extraction system at Stations 51 and 54. This system would involve exhaust capture at each vehicle in the apparatus room, as well as hose, ductwork, and blowers to remove diesel exhaust and particulates from the interior of the station. This system would minimize exhaust exposure in the apparatus room and would prevent contamination of living quarters. Hose and attachments connected to fire apparatus would automatically disconnect as apparatus leaves the station, minimizing impact on turnout time. Ease of reconnection as apparatus reenters the station minimizes potential for release of toxic products within the apparatus room on return.

Figure 30. Exhaust Removal System



Priority: High

Purpose & Justification: The exhaust from diesel engines contains a mixture of gases and very small particles that can create a health hazard when not properly controlled. Diesel particulate matter is a component of diesel exhaust that includes soot particles made up primarily of carbon, ash, metallic abrasion particles, sulfates and silicates. Diesel soot particles have a solid core consisting of elemental carbon, with other substances attached to the surface, including organic carbon compounds known as aromatic hydrocarbons. Short term exposure to high concentrations of DE/DPM can cause headache, dizziness, and irritation of the eye, nose and throat. Prolonged DE/DPM exposure can increase the risk of cardiovascular, cardiopulmonary and respiratory disease and lung cancer. In June, 2012, the International Agency for Cancer Research (IARC) classified DE (including DPM) as a known human carcinogen (Group 1) (OSHA, 2017). In addition, recognizing the hazards presented by diesel exhaust and particulates the Washington Department of Labor and Industries (L&I) Safety Standards for Firefighters,

WAC 296-305, requires that all new fire stations shall be designed and constructed to conform to ACGIH ventilation recommended criteria for exhaust of internal combustion engines (WAC 296-305-06511).

When Station 54 was constructed in 1998 and Station 51 was constructed in 2005, there were no code requirement for installation of a vehicle exhaust extraction system beyond normal ventilation. While not required by code (unless the building is substantively renovated), exposure to diesel exhaust and contamination of building surfaces presents a significant health hazard to the district's members.

Strategic Goal & Initiative: Maintain adequate infrastructure to support operations and related initiatives to maintain district facilities to minimize operational cost over their lifecycle.

CFAI Performance Indicator: This project supports Commission on Fire Accreditation International (CFAI) accreditation criterion 6B fixed facilities (core competency 6B.3 facilities comply with federal, state/provincial, and local codes and regulations at the time of construction, required upgrades for safety are identified, and where resources allow, addressed. For those items that warrant further attention, a plan for implementation is identified in the agency's long-term capital improvement plan (i.e., fire alarm systems, sprinkler system, seismic, vehicle exhaust system, asbestos abatement, etc.) (CFAI, 2015).

Table 39. Funding for Capital Project 594 22 63 09 (Station 51 Exhaust System)

| Funding Source | Amount |
|-------------------------|----------|
| Debt | |
| Capital Projects Fund | \$85,500 |
| Grant Funding (Specify) | |
| Other | |
| Total | \$85,500 |

Table 40. Funding for Capital Project 594 22 63 10 (Station 54 Exhaust System)

| Funding Source | Amount |
|-------------------------|----------|
| Debt | |
| Capital Projects Fund | \$85,500 |
| Grant Funding (Specify) | |
| Other | |
| Total | \$85,500 |

Estimated Change in Operational Expense: These projects will result in an estimated \$1,000 increase in operational expense for each station (total of \$2,000) due to the need to maintain the diesel exhaust extraction system.

594 22 63 07 Replace Roof on Burn Building/Tower

Description: This project would replace the asphalt shingle roof covering and roof decking (as needed) on the district's Burn Building/Training Tower.

Figure 31. Burn Building/Tower



Priority: Moderate

Purpose & Justification: Constructed in 1999, CWIFR's Burn Building/Tower has seen extensive use resulting in anticipated wear and tear, requiring replacement of the roof covering and likely some areas of roof decking. Assessment will be updated on a regular basis as this building must be inspected by a licensed engineer on a three-year interval.

Strategic Goal and Initiative: This project supports the district's strategic goal to maintain adequate infrastructure to support operations and the related initiative to maintain district facilities to minimize operational cost over their lifecycle.

CFAI Performance Indicator: This project supports Commission on Fire Accreditation International (CFAI) accreditation criterion 6B fixed facilities (performance indicator 6B.2 buildings and outbuildings are clean and in good repair, and the surrounding grounds are well kept. Maintenance is conducted in a systematic and planned manner) (CFAI, 2015).

Table 41. Funding for Capital Project 594 22 63 07

| Funding Source | Amount |
|-------------------------|---------|
| Debt | |
| Capital Projects Fund | \$6,500 |
| Grant Funding (Specify) | |
| Other | |
| Total | \$6,500 |

Estimated Change in Operational Expense: This project will have no impact on operational expense.

594 22 64 42 Access, Security, and Fire Alarm System Replacement

Description: This project would replace the district's existing access control, security, and fire alarm systems at Stations 51, 52, 53, And 54. The new system would provide internet enabled control of building access (providing, limiting, or preventing access remotely using a web-based interface). In addition, this system would provide improved capabilities for monitoring building fire and security systems. This project will be integrated with construction of new facilities at Station 53.

Figure 32. Access, Security, and Fire Alarm System



Purpose & Justification: The district's existing access control, security, and fire alarm system is technologically obsolescent and no longer supported by the district's alarm company. The district is currently in the process of developing specifications for a replacement system.

Strategic Goal & Initiative: This project supports the district's strategic goal to maintain adequate infrastructure to support operations and the related initiative to maintain district facilities to minimize operational cost over their lifecycle.

CFAI Performance Indicator: This project supports Commission on Fire Accreditation (CFAI) accreditation criterion 6A physical resources plan (performance indicator 6A.1 development, construction, or purchase of physical resources is consistent with the agency's goals and strategic plan) (CFAI, 2015).

Table 42. Funding for Capital Project 594 22 64 42

| Funding Source | Amount |
|-------------------------|----------|
| Debt | |
| Capital Projects Fund | \$10,000 |
| Grant Funding (Specify) | |
| Other | |
| Total | \$10,000 |

Estimated Change in Operational Expense: The current access control and security system is no longer supported, resulting in increased expense for repair when it malfunctions. It is anticipated that the new system will require slightly higher operational cost, but lower repair cost for a relatively consistent cost for these systems.

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Bond Fund

Overview of the Bond Fund

The bond fund was previously established to account for revenues and expenditures related to the district's previous limited tax general obligation (LTGO) bond that was retired in 2011. This fund was designated for bond proceeds from the unlimited tax general obligation (UTGO) bond approved by the voters in the November 2017 general election for specific capital projects and related expenditures. Use of a separate fund to account for bond revenues and expenditures facilitates accounting and compliance reporting.

Use of voter approved debt to fund major capital projects, inclusive of construction of a replacement facility at Station 53 as well as upgrade of Engines 51, 54, and 512 as they reach their 25-year service life has allowed the district to address both capital and operational needs in the near to mid-term and has laid a solid foundation for meeting the district's longer term fiscal needs (these projects were moved to the bond fund in 2018). In addition, this option maintains the district's regular levy well below \$1.50/1,000 assessed valuation (statutory maximum levy rate for fire districts), providing a buffer should the district experience another period in which assessed value (AV) is reduced below current levels. Reduction in the amount of funds transferred from the general fund to the capital projects fund allow the district to maintain current service levels through 2028. The district removed three type one engines (engines 51, 54, and 512) from the district's pay as you go strategy for apparatus and equipment. The option exists to modify this action and return one, two, or all three apparatus to pay as you go funding following a future increase in revenue.

Bond Capital Projects Plan

Table 43 outlines the district's current capital projects that are funded from the bond fund. Distribution of this expenditure by year will be identified on a more specific basis following bid award and scheduling of specific work activity on this project. Additional detail on funding for major capital projects is provided in the district's long-term financial plan (summary provided in Appendix C).

Table 43. 2018-2020 Bond Capital Projects Schedule

| Apparatus | | 2019 | 2020 | 2021 | 2022 |
|---------------------------|--|-----------|-----------|-------------|-------------|
| 594 22 64 22 | Apparatus 9401 (E51) Replacement | | \$236,855 | \$392,634 | |
| 594 22 64 28 | Apparatus 9601 (E512) Replacement | | \$236,855 | \$392,634 | |
| 594 22 64 29 | Apparatus 9602 (E54) Replacement | | \$236,855 | \$392,634 | |
| Facilities | | | | | |
| 594 22 61 03 | Station 53 Architectural & Engineering | \$131,665 | \$150,000 | \$120,000 | |
| 594 22 62 01 | Permits & Fees | \$0 | \$20,000 | \$20,000 | |
| 594 22 63 11 | Station 53 Land Work | | | \$700,000 | |
| 594 22 63 05 | Station 53 Construction | | | \$3,000,000 | \$1,500,000 |
| Total Expenditures | | \$131,665 | \$880,565 | \$5,017,902 | \$1,500,000 |

Bond Capital Projects & Justification

The following section of the budget document provides the description, purpose, and justification for each capital project funded with bond proceeds in the current year. In addition, each project is tied to the specific strategic goals supported by each investment in capital infrastructure.

Station 53 Renovation and Expansion

Description: This building was originally constructed in 1992 to replace smaller stations in Admirals Cove and Ledgewood. In 2000 the three additional apparatus bays were added, and a single wide manufactured home was located behind the Station to provide limited living quarters for on-duty personnel. This project involves construction and renovation of facilities at Station 53 to accomplish the following:

Response Time Improvement

- Moving the living quarters and sleep rooms from the singlewide manufactured home behind the station into the main fire station and closer to apparatus (improving turnout time)
- Increasing the number of sleeping rooms to provide six beds (an increase from the current three) to accommodate on-duty volunteers as well as full-time and part-time staffing.

Operational Upgrades

- Increasing the floor area of the station from approximately 5000 square feet to 10,000 square feet to provide adequate space for operational needs, living quarters, and administration.
- Increased classroom facilities for on-site firefighter training and community use.
- Improved mechanical systems with lower maintenance and operating costs.
- Environmental improvements including lead paint removal and improve septic and storm water systems.
- Sufficient ceiling height in the apparatus maintenance area to permit use of an apparatus lift.

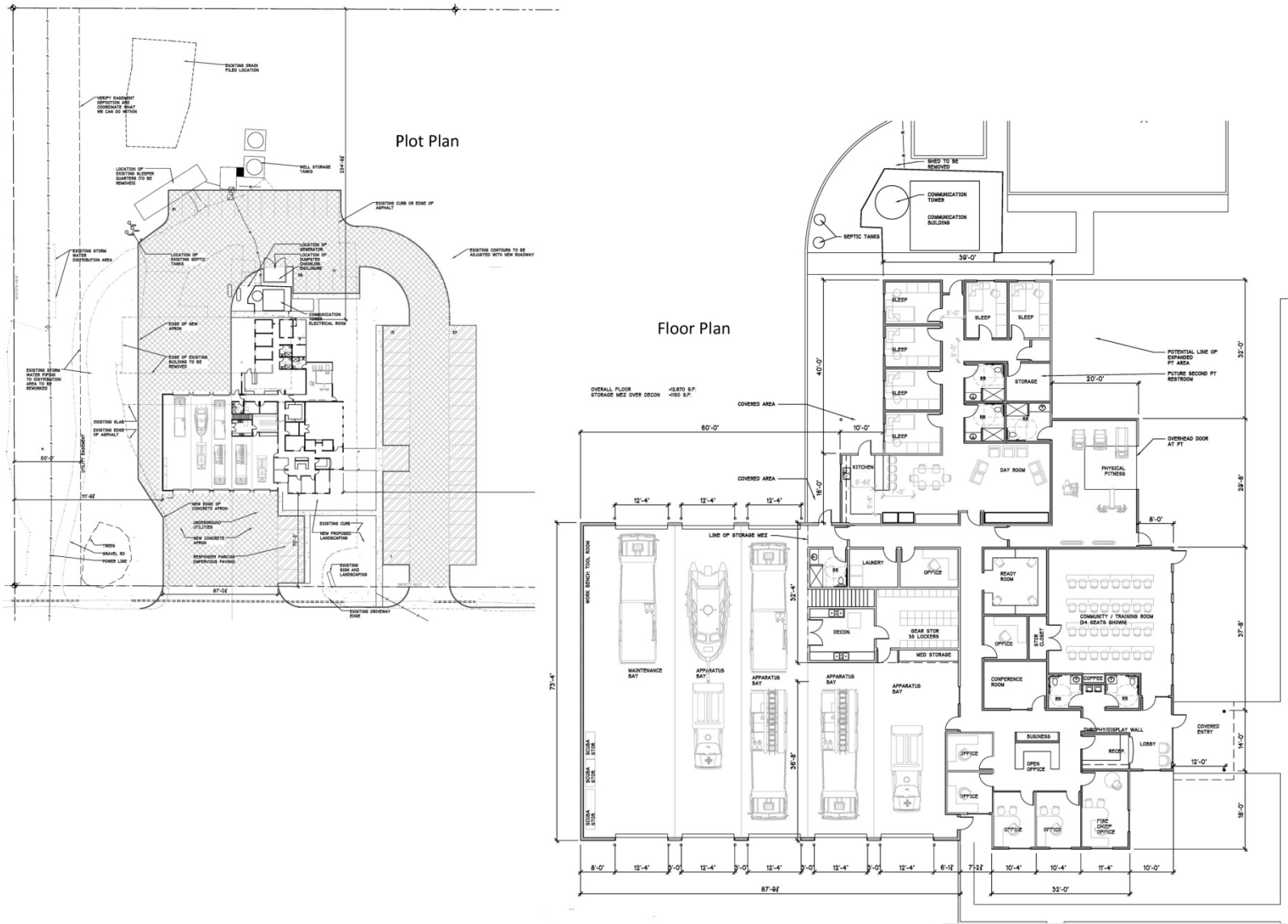
Health and Safety Improvements

- Diesel exhaust removal system
- Decontamination facilities meeting current standards
- Personal protective equipment storage
- Adequate clearance around apparatus
- Fire suppression (sprinkler) system to protect personnel and the taxpayer investment

Figure 34 illustrates the general configuration of the new Station 53/

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Figure 33. Station 53 Renovation and Expansion



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Priority: High

Purpose & Justification: Over time staffing and operational demands have outgrown the current facility. As identified in the description of this project, renovation and expansion addresses three key needs, improvement in response time (first unit and effective response force), upgrade of operational capability including provision of adequate space and upgrade of mechanical and environmental systems, and improvements in health and safety.

Additional detail on assessment of the condition of this facility as well as operational limitations and programmatic requirements is provided in the district’s Facilities Plan (Rice Fergus Miller, 2015).

Strategic Goal and Initiative: Maintain adequate infrastructure to support operations and related initiatives to maintain district facilities and apparatus to minimize operational cost over their lifecycle.

CFAI Performance Indicator: This project addresses Commission on Fire Accreditation International (CFAI) accreditation criterion 6A physical resources plan and 6B fixed facilities.

- Performance indicator 6A.1 development, construction, or purchase of physical resources is consistent with the agency’s goals and strategic plan.
- Performance indicator 6B.1 each function or program has adequate facilities and storage space. (e.g., operations, community risk reduction, training, support services and administration).
- Core competency 6B.3 facilities comply with federal, state/provincial, and local codes and regulations at the time of construction, required upgrades for safety are identified, and where resources allow, addressed. For those items that warrant further attention, a plan for implementation is identified in the agency’s long-term capital improvement plan (i.e. fire alarm systems, sprinkler system, seismic, vehicle exhaust system, asbestos abatement, etc.).

This project is comprised of multiple sub-projects due to the varied categories of expense (e.g. architectural & engineering professional services, intergovernmental professional services (permits & fees), and capital construction projects).

Table 44. Funding for Capital Projects 594 22 61 03, 594 22 62 01, and 594 22 63 01

| Funding Source | Amount |
|--|-------------|
| Debt | \$5,417,372 |
| Capital Projects Fund (Multi-Year 2018-2020) | |
| Grant Funding (Specify) | |
| Other | |
| Total | \$5,417,372 |

Estimated Change in Operational Expense: While the station area is being doubled, it is anticipated that the expense of fuel for heating and electrical expense will not increase substantially due to increases in efficiency in electrical and heating, ventilation, and air conditioning (HVAC) systems. Maintenance

expenses are anticipated to increase slightly due to increased building floor area. However, much of this floor area increase is in the apparatus room and other work areas, which have relatively minor maintenance requirements in comparison to living quarters, classrooms, and administrative space.

Upgrade of Apparatus 9401, 9601, & 9602

Description: Apparatus 9401 is a National Incident Management System type one engine equipped with a 1500 gpm pump and 1000-gallon water tank. This apparatus also carries 1100' of 5" supply hose, 1000' of 3" hose, 500' of 2" hose, and 500' of 1-3/4" hose in addition to the standard complement of equipment required for a type one engine.

Apparatus 9601 and 9602 are National Incident Management System type one engines equipped with 1250 gpm pumps and 750-gallon water tanks. These engines also carry 1100' of 5" supply hose, 1000' of 3" hose, 300' of 2" hose, and 500' of 1-3/4" hose in addition to the standard complement of equipment required for type one engines.

This project involves purchase of three type one engines and related equipment. These engines would have a pumping capacity of at least 1250 gpm and water tank capacity of at least 700 gallons. These engines would be configured similarly to Apparatus 1401 to ensure consistency of the district's fleet of type one engines.

Priority: High

Purpose & Justification: Apparatus 9401 was purchased in 1994 and will have reached the end of its useful life in 2019. Apparatus 9601 & 9602 were purchased in 1996 and will reach the end of their useful lives in 2021.

Maintenance costs and challenges in obtaining parts have increased as this apparatus has aged. Meeting the district's response goals and Washington Survey and Rating Bureau (WSRB) requirements for number and distribution of engine companies requires an engine at each of the district's three stations and one reserve engine.

Bids will be solicited for purchase of these three apparatus at the same time. Combining the procurement process for the three apparatus will reduce the overall purchase price and staff time necessary to complete this project.

Strategic Goal and Initiative: This project supports the district's strategic goal to maintain adequate infrastructure to support operations [Resources] and the related initiative to maintain the district's apparatus and equipment to minimize operational cost over their lifecycle. In addition, this project supports the district's strategic goal to reduce incident frequency and severity and the related initiative to improve operational capability to address community risks.

CFAI Performance Indicator: This project supports Commission on Fire Accreditation International (CFAI) accreditation criterion 6C apparatus and vehicles (core competency 6C.1 apparatus types are appropriate for the functions served (e.g., operations, staff support services, specialized services, and administration) and performance indicator 6C.2 a current replacement schedule exists for all apparatus and support vehicles based on current federal and state/provincial recognized standards, vehicle condition, department needs, and requirements) (CFAI, 2015).

Table 45. Funding for Capital Projects 594 22 64 22, 28, & 29

| Funding Source | Amount |
|---|-------------|
| Debt | \$1,958,775 |
| Capital Projects Fund | |
| Grant Funding (Specify) | |
| Other (Estimated Surplus Value of Apparatus 9401, 9601, & 9602) | 60,000 |
| Total | \$1,898,775 |

Estimated Change in Operational Expense: This capital project will reduce operational expenses for apparatus maintenance in the near term due to reduction in age of the district's fleet of engines. In addition, establishing consistent make and model of apparatus will reduce parts inventory requirements and simplify routine preventative maintenance.

2020 Bond Fund Budget

Table 46 illustrates the 2020 bond fund budget. It is important to note that the Station 53 construction extends into 2022 and additional bond funds will be expended in that year for completion of this project.

Table 46. Bond Fund Budget

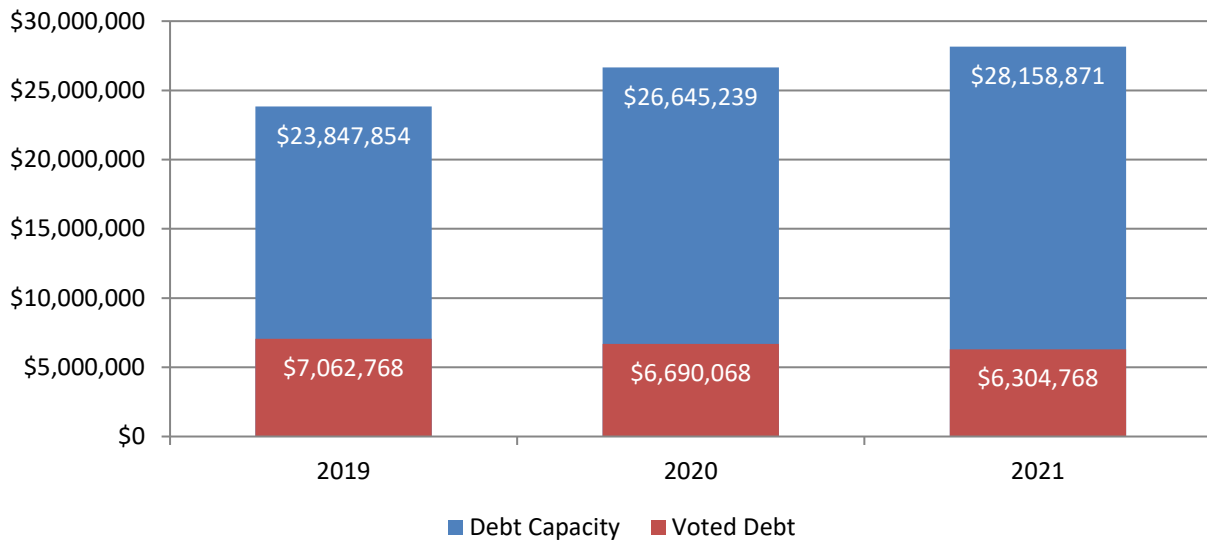
| Apparatus | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|-------------------------------|--|------------------|------------------|--------------------|
| 594 22 64 22 | Apparatus 9401 (E51) Replacement | | \$236,855 | \$392,634 |
| 594 22 64 28 | Apparatus 9601 (E512) Replacement | | \$236,855 | \$392,634 |
| 594 22 64 29 | Apparatus 9602 (E54) Replacement | | \$236,855 | \$392,634 |
| Facilities | | | | |
| 594 22 61 03 | Station 53 Architectural & Engineering | \$131,665 | \$150,000 | \$120,000 |
| 594 22 62 01 | Permits & Fees | \$0 | \$20,000 | \$20,000 |
| 594 22 63 01 | Station 53 Land Work | | | \$700,000 |
| 594 22 63 02 | Station 53 Construction | | | \$3,000,000 |
| Total Bond Fund Budget | | \$131,665 | \$880,565 | \$5,017,902 |

Debt Service Fund

Overview of the Debt Services Fund

The debt service fund was established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. In accordance with the provisions of the *Revised Code of Washington (RCW) 52.16.061 General obligation bonds – Issuance – Limitations*, the district is limited to an amount equal to 0.375 percent of assessed valuation for non-voted debt and 1.25 percent of assessed valuation for voted debt. Any non-voted debt issued counts as part of the overall 1.25 percent limit. Figure 35 illustrates the district’s debt capacity versus its current debt.

Figure 34. Debt Capacity versus Current Debt



Debt Service Fund Revenue & Expenditures

Beginning in 2018, revenue from the unlimited tax general obligation (UTGO) bond approved by the district’s voters in November 2017 will be deposited in the debt service fund and debt service payments made from the same fund.

The district’s UTGO Bond is structured to provide a relatively stable levy rate over a 20-year period. This assumes a 3.5% increase in assessed valuation (AV) on an annual basis. This is a conservative estimate of increase in AV as historically assessed value has annually increased at an average of 7.59%. If AV increases greater than 3.5%, the levy rate will be reduced slightly over time. If AV increases at less than 3.5%, the bond levy rate will increase slightly over time. Table 47 illustrates the debt service schedule for the district’s 20-Year UTGO Bond. Given the 11.34% increase in assessed valuation (AV) in 2019, it is anticipated that the levy rate for the UTGO Bond will decrease from \$0.22/\$1000 AV to \$0.20/\$1000 AV in 2020.

Table 47. UTGO Bond Debt Service Schedule

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|-----------|--------|-----------|--------------|---------------------|
| 6/1/2018 | | | \$109,169 | \$109,169 | |
| 12/1/2018 | \$125,000 | 2.00% | \$127,600 | \$252,600 | \$361,769 |
| 6/1/2019 | | | \$126,350 | \$126,350 | |
| 12/1/2019 | \$120,000 | 2.00% | \$126,350 | \$246,350 | \$372,700 |
| 6/1/2020 | | | \$125,150 | \$125,150 | |
| 12/1/2020 | \$135,000 | 3.00% | \$125,150 | \$260,150 | \$385,300 |
| 6/1/2021 | | | \$123,125 | \$123,125 | |
| 12/1/2021 | \$155,000 | 3.00% | \$123,125 | \$278,125 | \$401,250 |
| 6/1/2022 | | | \$120,800 | \$120,800 | |
| 12/1/2022 | \$170,000 | 3.00% | \$120,800 | \$290,800 | \$411,600 |
| 6/1/2023 | | | \$118,250 | \$118,250 | |
| 12/1/2023 | \$190,000 | 3.00% | \$118,250 | \$308,250 | \$426,500 |
| 6/1/2024 | | | \$115,400 | \$115,400 | |
| 12/1/2024 | \$210,000 | 3.00% | \$115,400 | \$325,400 | \$440,800 |
| 6/1/2025 | | | \$111,200 | \$111,200 | |
| 12/1/2025 | \$235,000 | 4.00% | \$111,200 | \$346,200 | \$457,400 |
| 6/1/2026 | | | \$106,500 | \$106,500 | |
| 12/1/2026 | \$260,000 | 4.00% | \$106,500 | \$366,500 | \$473,000 |
| 6/1/2027 | | | \$101,300 | \$101,300 | |
| 12/1/2027 | \$290,000 | 4.00% | \$101,300 | \$391,300 | \$492,600 |
| 6/1/2028 | | | \$95,500 | \$95,500 | |
| 12/1/2028 | \$315,000 | 4.00% | \$95,500 | \$410,500 | \$506,000 |
| 6/1/2029 | | | \$89,200 | \$89,200 | |
| 12/1/2029 | \$345,000 | 4.00% | \$89,200 | \$434,200 | \$523,400 |
| 6/1/2030 | | | \$82,300 | \$82,300 | |
| 12/1/2030 | \$380,000 | 4.00% | \$82,300 | \$462,300 | \$544,600 |
| 6/1/2031 | | | \$74,700 | \$74,700 | |
| 12/1/2031 | \$415,000 | 4.00% | \$74,700 | \$489,700 | \$564,400 |
| 6/1/2032 | | | \$66,400 | \$66,400 | |
| 12/1/2032 | \$450,000 | 4.00% | \$66,400 | \$516,400 | \$582,800 |
| 6/1/2033 | | | \$57,100 | \$57,100 | |
| 12/1/2033 | \$490,000 | 4.00% | \$57,100 | \$547,100 | \$604,200 |
| 6/1/2034 | | | \$47,600 | \$47,600 | |
| 12/1/2034 | \$530,000 | 4.00% | \$47,600 | \$577,600 | \$625,200 |
| 6/1/2035 | | | \$37,000 | \$37,000 | |
| 12/1/2035 | \$570,000 | 4.00% | \$37,000 | \$607,000 | \$644,000 |
| 6/1/2036 | | | \$25,600 | \$25,600 | |
| 12/1/2036 | \$615,000 | 4.00% | \$25,600 | \$640,600 | \$666,200 |
| 6/1/2037 | | | \$13,300 | \$13,300 | |
| 12/1/2037 | \$665,000 | 4.00% | \$13,300 | \$678,300 | \$691,600 |

Debt Service Fund Budget

The debt service fund is be fully funded through a property tax bond levy. The debt service fund budget is displayed in Table 48.

Table 48. Debt Service Fund Budget

| Expenditures | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|---------------------------|-------------------|----------------|------------------|-----------------|
| 591 22 70 01 | UTGO Debt Service | \$372,700 | \$385,300 | \$401,250 |
| Total Expenditures | | \$372,700 | \$385,300 | \$401,250 |

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Compensated Absences Fund

Overview of the Compensated Absences Fund

This fund is used to account for assets held by the district for payment to employees for compensated absences on separation from the district. Compensated absences include:

- Buyback of a specified and limited amount of unused long-term sick leave for executive staff and sick leave for other full-time employees.
- Payment for unused executive staff paid time off (PTO). PTO is provided in lieu of time off for holidays, vacation, and sick leave.
- Payment for unused annual leave (vacation) provided to the district's full-time employees (other than executive staff).

Compensated Absences Fund Revenue

The compensated absences fund is funded through transfers from the general fund. Initially, fund balance was maintained to provide for long-term sick leave buyback for the district's executive staff. In 2019 the rate of transfer to the compensated absences fund was increased to meet current and future liabilities on a comprehensive basis. In 2019, \$35,360 was transferred from the general fund to the compensated absences fund. In 2020, \$28,016 will be transferred from the general fund to the compensated absences fund.

Compensated Absences Liabilities

The district's executive staff will be paid for up to 240 hours of long term sick leave at 100% of their hourly rate. In addition, the district also pays full-time employees for unused paid time off (e.g., used by executive staff for annual leave, short term sick leave, and holidays) or vacation (used by other full-time employees). If a position remains vacant for some period of time, the expense resulting from payment for unused PTO or vacation may be offset to some extent by a reduction in wages, health care and retirement expense until the position was filled. However, for firefighters and officers on shift work, vacancy results in increased overtime expense to maintain staffing levels. In addition, the district's current succession plan (CWIFR, 2019b) anticipated hiring replacements for key employees in advance of planned retirements to ensure a smooth and effective transition of duties, thus eliminating any savings due to vacancy and adding the cost of overlapping staffing during the transition period.

Actual Versus Projected Compensated Absence Liability

The actual compensated absence liability in a given year is based on individual leave balances in long term sick leave (executive staff), paid time off (executive staff), and annual leave/vacation (IAFF members). The district's compensated absence liability in 2021 is approximately \$133,000 (actual liability will depend on leave accrual and use in the fourth quarter of the year). This liability is based on all full-time employees ceasing employment with the district in 2021. Fortunately, this is extremely unlikely.

Projected compensated absence liability is based on likely leave balances on separation and the date at which separation occurs. The district's projections are based on the following assumptions:

- Executive staff will have accumulated 240 hours of long-term sick leave prior to retirement.
- Executive staff will have 60% of their maximum paid time off accrual at retirement (maximum carryover plus annual accrual, less anticipated use) at retirement.
- IAFF members will have 60% of their maximum annual leave accrual (maximum carryover, plus accrual, less anticipated use) at retirement.
- Except for individuals who have stated an anticipated retirement date, members who are in the law enforcement officers and firefighters (LEOFF) retirement system will retire at age 52 or 20 years of service whichever comes last.
- Individuals who have not identified a retirement date and are in the public employee retirement system (PERS) are anticipated to retire at age 67.
- Liability is calculated at current salary and wage rates and is adjusted anytime that the district's salary and wage schedule, leave accrual, or long-term sick leave/sick leave buyback changes.

The beginning balance in the compensated absences fund in 2021 is projected to be \$71,895, covering 69.31% of projected compensated absences. The gap between the current balance in this fund and future requirements will be addressed incrementally between the current year and anticipated employee retirement dates. Kavanagh (2018), identifies, incrementally addressing unfunded liabilities as a sound and achievable approach to progressing towards fiscal sustainability. As the district's workforce is relatively far from retirement (with the exception of the executive staff), this approach will allow the district to address this issue and limit impact on service delivery levels.

Compensated Absences Budget

In order to meet the total potential compensated absences liability at potential time of retirement (for each incumbent and their subsequent replacements at current pay rates), \$31,837 will need to be transferred from the general fund to the compensated absences fund in 2021. As illustrated in Table 49 no expenditures are anticipated from the compensated absences fund in 2021.

Table 49. Compensated Absences Fund Budget (Transfer to the General Fund)

| Administrative Salaries and Wages | | | | | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|------------------------------------|----|----|----|------------------------|-----------------|------------------|-----------------|
| 594 | 10 | 11 | 01 | Fire Chief Salary | \$0 | \$0 | \$0 |
| 594 | 10 | 11 | 02 | Deputy Chief Salary | \$0 | \$0 | \$0 |
| 594 | 10 | 11 | 03 | Finance Officer Salary | \$23,000 | \$0 | \$0 |
| Sub Total | | | | | \$23,000 | \$0 | \$0 |
| CRR Salaries, Wages & Stipends | | | | | | | |
| 594 | 30 | 11 | 01 | Full-Time FF/LT | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$0 | \$0 | \$0 |
| Training Salaries & Wages | | | | | | | |
| 594 | 45 | 11 | 01 | Full-Time FF/LT | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$0 | \$0 | \$0 |
| Fleet Maintenance Salaries & Wages | | | | | | | |
| 594 | 60 | 11 | 01 | FT FF Mechanic | \$0 | \$0 | \$0 |
| Sub Total | | | | | \$0 | \$0 | \$0 |

Total Compensated Absences Fund Budget (Transfer to General Fund) \$23,000 \$0 \$0

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Grants Management Fund

Overview of the Grants Management Fund

A fund established with a contribution of assets from the state or federal government that are to be used for a specified purpose, activity, or facility. Assets in this fund are maintained in a non-interest-bearing account in compliance with federal grant requirements.

Grants Management Revenue & Expenditures

In 2020, the district received an Assistance to Firefighters Grant (AFG) from the Department of Homeland Security, Federal Emergency Management Agency in the amount of \$15,658.25 with a \$782.91 match by the district (the match was provided by previous expenditures for emergency medical services supplies). This grant provided reimbursement for expenses related to the COVID-19 pandemic and to increase preparedness for continue illness related to SARS COV disease and/or future pandemic response.

2021 Grants Management Budget

The grants management fund budget is displayed in Table 50.

Table 50. Grants Management Budget

| Transfer to General Fund | 2019 Actual | 2020 Adjusted | 2021 Adopted |
|---|----------------|------------------|-----------------|
| Reimbursement for Prior Expenses | \$0 | \$7,466 | \$0 |
| Sub Total | \$0 | \$0 | \$0 |
| Small Equipment & Tools (<\$5,000) | | | |
| 522 20 35 10 Respiratory Protection Equipment | \$0 | \$8,194 | \$0 |
| Sub Total | \$0 | \$8,194 | \$0 |
| Total Grants Management Budget | \$0 | \$15,658 | \$0 |

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Appendix A - Tax Increase and Budget Adoption

Levy Certification



Levy Certification

Submit this document to the county legislative authority on or before November 30 of the year preceding the year in which the levy amounts are to be collected and forward a copy to the assessor.

In accordance with RCW 84.52.020, I, Cheryl Engle, (Name)

Board Chair Fire Commissioners, for Central Whidbey Island Fire & Rescue, do hereby certify to (Title) (District Name)

the Island County legislative authority that the Board of Fire Commissioners (Name of County) (Commissioners, Council, Board, etc.)

of said district requests that the following levy amounts be collected in 2021 as provided in the district's (Year of Collection)

budget, which was adopted following a public hearing held on 11/12/20 (Date of Public Hearing)

Regular Levy: \$3,000,000.00 (State the total dollar amount to be levied)

Excess Levy: \$401,250.00 (State the total dollar amount to be levied)

Refund Levy: \$4,599.73 (State the total dollar amount to be levied)

Signature: Cheryl J Engle

Date: 11/12/2020

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REV 64 0100e (w) (2/21/12)

Tax Increase Resolution



Ordinance / Resolution No. 20-06
RCW 84.55.120

WHEREAS, the Fire Commissioners of Central Whidbey Island Fire & Rescue has met and considered
(Governing body of the taxing district) (Name of the taxing district)
its budget for the calendar year 2021; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 2,405,683.83; and,
(Previous year's levy amount)

WHEREAS, the population of this district is more than or less than 10,000; and now, therefore,
(Check one)

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2021 tax year.
(Year of collection)

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 24,056.84
which is a percentage increase of 1 % from the previous year. This increase is exclusive of
(Percentage increase)

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 12 day of November, 2020.

Cheryl Engle
Steve Robinson
Paul Meier

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: <http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc>.

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REV 64 0101c (w) (12/9/14)

Budget Adoption Resolution



Central Whidbey Island Fire & Rescue

1164 Race Road
Coupeville, WA 98239

Professionalism • Integrity • Compassion • Excellence
(360) 678-3602 www.cwfire.org

INTHE MATTER OF) Resolution 20-07
Adopting the Budget for 2021)

WHEREAS: The Fire Commissioners of Central Whidbey Island Fire & Rescue have made certification of the taxes to levied to the Island County Council;

WHEREAS: The Fire Commissioners of Central Whidbey Island Fire & Rescue establishes an official budget each year to provide operating funds and capital funds.

IT IS HEREBY RESOLVED AS FOLLOWS:

1. That the attached 2021 Budget be hereby adopted as the official budget of Central Whidbey Island Fire & Rescue for calendar year 2021.
2. That the honorable Island County Council be and hereby requested to make a Regular levy for 2021 for Central Whidbey Island Fire & Rescue of \$3,000,000.00.
3. That the Island County Treasurer be and is hereby authorized and directed to deposit and sequester the moneys received from the collection of the tax levy specified in section 2 above in the amount and fund specified below:
 - a. \$3,000,000.00 Regular levy into the General Fund of Central Whidbey Island Fire & Rescue
 - b. \$401,250.00 Excess levy in the Bond Fund of Central Whidbey Island Fire & Rescue
 - c. \$4,599.73 Refund levy into the General Fund of Central Whidbey Island Fire & Rescue.
4. That one copy of this resolution together with the 2021 Budget be delivered to the Island County Council and the Island County Assessor's office.

ADOPTED at the regular meeting of the Central Whidbey Island Fire & Rescue Board of Commissioners, this 12th Day of November, 2020.

Cheryl Engle
Cheryl Engle, Board Chair

Steve Hutchinson
Steve Hutchinson, Commissioner

Paul Messner
Paul Messner, Commissioner

Attest: *Cathy Niiro*
Cathy Niiro, Secretary

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Appendix B - Financial Policies

The district has adopted comprehensive financial policies to guide budgeting and financial management. These policies are delineated in the district's financial standard operating guidelines (SOGs).

Policy Adoption and Review

In 2012, Central Whidbey Island Fire & Rescue's board of fire commissioners recognized the need for well-defined and clearly stated board policies and established the *Board of Fire Commissioners Policy Manual* (CWIFR, 2018a). This manual clearly defined that the board adopts policy as a guide to decision making by formal action (RCW 52.114.100) and reviews key policies annually.

The *Board of Fire Commissioners Policy Manual* identifies that the long-term financial plan (incorporating financial policies) as an important policy document (CWIFR 2018, p. 2). In addition, the manual states "The Board will review the district's strategic goals, capital projects plan, and other major policies in April of each year and shall provide policy direction to the fire chief in advance of the district's budget development process" (CWIFR, 2018a, p. 19).

Financial Standard Operating Guidelines

The district revised its financial policies in 2017 to ensure compliance with state and federal law and to reflect best practices identified by the Government Finance Officers Association (GFOA). These updated policies were adopted by the board of fire commissioners on August 10, 2017 (CWIFR, 2017a). These policies were integrated into the district's long-term financial plan by *Resolution 17-07* on September 9, 2017.

The district's standard operating guidelines include a statement of purpose, scope, and policies. The district's SOGs addressing financial policy include:

- *SOG 1.1.13 Public Records and Retention*
- *SOG 1.3.1 Budget*
- *SOG 1.3.2 Procurement*
- *SOG 1.3.3 Finance and Accounting*
- *SOG 1.3.4 Travel and Expense Reimbursement*
- *SOG 1.3.5 Asset Management*
- *SOG 1.3.6 Use of District Resources*
- *SOG 1.3.7 Revenue*
- *SOG 1.3.8 Investment*
- *SOG 1.3.9 Financial Reserves*
- *SOG 1.3.11 Debt*

- *SOG 1.3.12 Grants and Grant Management*
- *SOG 1.3.13 Financial Risk Management*
- *SOG 1.3.14 Transparency and Accountability*
- *SOG 1.3.15 General Financial Guidance*
- *SOG 1.4.7 Capital Projects Plan*

Public Records and Retention

While not limited to the district's financial records, the following policies established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.1.13 Public Records and Retention* (CWIFR, 2018b) impact directly on financial policy:

- Provide full access to the public records applicable to the Fire district's common management functions in accordance with *Revised Code of Washington (RCW) 40.14, RCW 42.56* and *Washington Administrative Code (WAC) 40.14*.
- Provide for inspection and copying of requested public records as provided in this SOG unless such records are exempt from disclosure under *RCW 42.56* or other laws under which disclosure is regulated.
- Assist requestors including timely action on requests, while protecting public records from damage and preventing "excessive interference with other essential agency functions" as specified in *RCW 42.56.080*.
- Ensure disclosure of public records is managed in a manner that protects against the invasion of an individual's right to privacy and restrict access to its records that are exempt from public disclosure in accordance with *RCW 42.56.100*.
- Ensure protection of district records and prevent improper disclosure of confidential records.
- Destroy records at the end of the retention period specified on the retention schedule.

Budget

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.1 Budget* (CWIFR, 2017c):

- Establish funding priorities to reflect our mission to partner with our community to proactively reduce risk from fire, illness, injury, and other hazards.
- Be a good steward of public funds and ensure that budgeting and financial management follow applicable laws and regulations and achieves results that are in the best interest of the district and its taxpayers.
- Conduct the budgeting and financial reporting process in a manner that is transparent and easy for taxpayers to understand.

- Ensure that the district’s budgeting process has a direct and strong connection with the strategic plan adopted by the board of fire commissioners.
- Avoid budget decisions or procedures that provide for current operational cost at the expense of future needs.
- Use the Washington State Auditors Budgeting and Reporting System (BARS) codes in budget development and fiscal reporting.
- Maintain a balanced budget, defined as funds total resources comprised of beginning fund balance, revenues, and other funds are equal to the total of expenditures, other fund use, and the funds ending balance.
- Maintain a balanced budget at the division level (administration, operations, life safety & community risk reduction, training, facilities, & vehicle maintenance).
- The district shall clearly set forth transfers between funds (e.g., general fund and capital projects fund) in the district’s annual budget or adjustments.
- Require approval of the board of fire commissioners for transfers between funds, divisions, or between line items within a division.
- Post the Adopted and adopted district budgets and any mid-year budget adjustments on the district’s web site in a timely manner to provide public access.

Procurement

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.2 Procurement* (CWIFR, 2017d):

- It is the policy of Central Whidbey Island Fire & Rescue (CWIFR) to be a good steward of public funds. To that end, district expenditures must be for a valid public purpose which benefits the community, is directly related to the district’s authorized functions, and which does not have as its primary objective the benefit of a private interest.
- The district will follow the statutory requirements of *Revised Code of Washington (RCW 52) Fire Protection Districts, RCW 39 Public Contracts and Indebtedness* and other relevant state laws and regulations as applicable to fire district procurement.
- In addition, it is the policy of CWIFR to maintain appropriate internal fiscal controls to promote effective and efficient use of resources; to safeguard resources against loss due to waste, mismanagement, abuse, or fraud; and to ensure compliance with applicable state and federal laws, regulations, and fiscal best practices.
- It is the policy of CWIFR that sole source procurements shall be fully justified based on the provisions of *RCW 39.04.280* and documented according to the provisions of this SOG. Sole source procurements not exceeding \$10,000 may be approved by the fire chief. All other sole source purchases must be authorized by Resolution of the board of fire commissioners.

- CWIFR will endeavor to ensure consistency with the Government Finance Officers Association (GFOA) best practices and advisories related to procurement.

Finance and Accounting

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.3 Finance & Accounting* (CWIFR, 2017e):

- Financial and accounting duties and responsibilities shall be separated to the greatest extent possible so that no staff member has sole control over cash receipts, payroll, bank reconciliations, accounts payable, or other accounting functions.
- Finance and accounting policies and procedures shall be consistent with the requirements of the Washington State Auditor's Budgeting and Reporting System (BARS) for entities using cash basis accounting and the best practices recommended by the Government Finance Officers Association (GFOA).
- Access to computer or on-line systems for accounting, personnel, payroll, and banking is controlled by password access. Permissions within each system are set to allow appropriate level of access depending on role and responsibility.
- The district shall maintain a surety bond for commissioners, district secretary, fire chief, deputy chief, & finance officer in an amount equivalent to approximately two months of the district's maintenance and operations expense.
- Financial and accounting policies are reviewed annually by the board of fire commissioners.

Travel and Training Expense and Reimbursement

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.4 Travel and Training Expense and Reimbursement* (CWIFR, 2012):

- CWIFR encourages all members to expand their knowledge, skills, and abilities through professional development programs on a local, state and national or international level. In addition, the district encourages its members to participate as a member of local, state, and national professional organizations.
- It is the policy of Central Whidbey Island Fire & Rescue (CWIFR) to be a good steward of public funds. To that end, district expenditures must be for a valid public purpose which benefits the community, is directly related to the district's authorized functions, and which does not have as its primary objective the benefit of a private interest.
- In addition, it is the policy of CWIFR to maintain appropriate internal fiscal controls to promote effective and efficient use of resources; to safeguard resources against loss due to waste, mismanagement, abuse, or fraud; and to ensure compliance with applicable state and federal laws, regulations, and fiscal best practices.

Asset Management

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.5 Asset Management (CWIFR, 2017f)*:

- It is the policy of Central Whidbey Island Fire & Rescue (CWIFR) to maintain accountability for its assets. The district shall maintain asset records and verify those records by a physical inventory at least annually.
- In addition, it is the policy of the district that the disposal of surplus property is accomplished through an efficient and appropriate process that is compliant with applicable laws and regulations, and that achieves results that are in the best interest of the district and its taxpayers.

Use of District Resources

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.6 Use of District Resources (CWIFR, 2017g)*:

- Be a good steward of public funds and ensure that use of district resources complies with applicable laws and regulations and achieves results that are in the best interest of the district and its taxpayers.
- With the limited exceptions provided in this guideline, members may not use district resources for personal benefit or gain or for the benefit or gain of other individuals or outside organizations.
- The district reserves the right to monitor members' use of district resources including telecommunications and information technology infrastructure and services. Members have no expectation of privacy when using district resources.

Revenue

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.7 Revenue (CWIFR, 2017h)*:

- The district's primary source of revenue is a property tax levy as specified in the *Revised Code of Washington (RCW) Chapter 52.16*. However, the district shall work to develop diversification of revenue to include, but not limited to intergovernmental revenue, and fees for service.
- Consistent with the provisions of *Washington State Constitution Article VIII § 7*, district services that benefit specific users rather than the community as a whole must be supported by fees and charges. User fees should reflect the direct and indirect cost of providing the service.
- The district will fund current expenditures with current revenues, avoiding the use of one-time funds for ongoing expense, postponing needed expenditures, or depleting reserves to meet current expenses.
- The district will actively seek grant funding for both operating and capital expenditures, provided that the grant is consistent with the district's mission and goals, provides a benefit that

exceeds cost, and does not commit the district to long term tax funded expenditures following the completion of the grant period.

- If necessary, to meet cash flow requirements, interfund loans shall be paid back in the near term and not result in a change in fund equity.

Investment

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.8 Investment (CWIFR, 2017i)*:

- It is the policy of Central Whidbey Island Fire & Rescue to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the cash flow demands of the district and conforming to all state and local statutes governing the investment of public funds.
- Management responsibility for the investment program is delegated to the district's finance officer under the supervision of the fire chief.
- Pursuant to the *Revised Code of Washington (RCW) 52.16.010* the Island County Treasurer serves as the financial agent for the district. As such, the Island County Treasurer receives and disburses district revenues, and invests financial assets as directed by the district's finance officer (CWIFR, 1986, 2009).
- Pursuant to the provisions of *Revised Code of Washington (RCW) 36.29.020*, if the board of fire commissioners determines the necessity to redeem or sell any of the purchased securities before their ultimate maturity date, the Board shall by resolution, direct the Island County Treasurer to take that action.
- The district's finance officer will review the *Island County Investment Policy* (Island County Treasurer, 2017) whenever the County makes policy changes (but in any case, no less than annually) and shall determine if changes in this standard operating guideline are necessary.

Financial Reserves

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.9 Financial Reserves (CWIFR, 2020c)*.

- The board of fire commissioners shall be responsible for establishing and managing all district Fund accounts and minimum fund set-asides and minimum balances. Changes to set asides and fund balances require action by the board of fire commissioners.
- The district shall strive to maintain adequate fund balances and reserves to provide cash flows to meet operating and capital expenses, while also providing the financial ability to address economic downturn and system emergencies. Operating expenditures shall include salaries, benefits, supplies, services, intergovernmental and interfund expenses, capital outlays and transfers.

- CWIFR will maintain a beginning general fund balance of at least 33% of budgeted maintenance and operations expenditures to provide funds for operation prior to receipt of subsequent year's tax revenue.
- CWIFR will maintain a contingency beginning balance in the amount of 10% of budgeted maintenance and operations expenditures. Contingency will be used for unanticipated or exceptional unbudgeted expenditures only with the approval of the board of fire commissioners.
- An adequate balance will be maintained in the capital projects fund to provide for scheduled replacement of district vehicles and capital equipment at the end of their useful lives⁸.
- CWIFR will maintain sufficient balance in the compensated absences fund to meet anticipated payout requirements for unused compensated leave balance. The annual contribution rate to this fund shall be based on current salary, anticipated unused leave balances, and potential retirement date based on employee age, years of service, or announced retirement date.
- For employees hired after January 1, 2019 the district will fund compensated absence liability over the duration of the employee's career with payout anticipated on retirement eligibility based on age and years of service.
- At each fiscal year end the remaining dollars left in each fund that are undesignated and unencumbered constitute available reserves of the district. These fund balances will be included in the annual budget.

Debt

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.11 Debt* (CWIFR, 2017j):

- Consider community needs; the district's current and projected long-term fiscal position and overall cost to the district's taxpayers in determining if debt should be issued by the district.
- Long-term debt or bond financing shall not be used to finance current operating expenditures.
- Central Whidbey Island Fire & Rescue may consider issuance of debt consistent with the provisions of the *Revised Code of Washington (RCW) 52.16.080* for major capital projects as defined in *SOG 1.3.10 Capital Projects* (CWIFR, 2017o).
- The district may contract indebtedness as provided by the *Revised Code of Washington (RCW) 52.16* and *Article VIII of the Washington State Constitution*. Bonds evidencing indebtedness shall be issued and sold in accordance with *RCW 39.46*. Refunding bonds shall be issued in accordance with *RCW 39.53*.

⁸ This policy applies to projects funded through the capital projects fund. Other projects may be funded through judicious use of debt (such as major capital facilities projects or simultaneous replacement of multiple fire apparatus such as the projects funded with the District's unlimited tax general obligation (UTGO) bond in 2017.

- The district shall issue and manage debt in accordance with the limitations and constraints imposed by federal rules and regulations including the Internal Revenue Code of 1986, as amended; the treasury department regulations there under; and the Securities Acts of 1933 and 1934.
- The district shall seek to maintain and improve its current bond rating through sound financial management, long range financial planning, continuous improvement, and adoption of best practices in financial management.

Grants and Grant Management

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.12 Grants and Grant Management (CWIFR, 2017k)*:

- Consider grant funding that may be used to leverage existing funding for programs or projects which address the district's current priorities and policy objectives.
- As a one-time funding source, grants shall not be used to support ongoing programs.
- If the outcome of a grant will incur an ongoing expense (e.g., purchase of equipment requiring maintenance), the ongoing expense must be considered in evaluating if the grant is an appropriate source of revenue for the program or project.
- All grants and other federal and state funds shall be managed to comply with the laws, regulations, and guidance of the grantor.

Financial Risk Management

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.13 Financial Risk Management (CWIFR, 2017l)*:

- The district will identify and analyze its potential financial risks and determine the most appropriate way to mitigate or transfer these risks to an insurer.
- Financial policies and related SOGs shall be grounded in best practice to minimize the district's risk of financial loss.
- The district will maintain an adequate umbrella insurance policy covering district vehicles, general liability, commercial property, and crime and fidelity. Coverage on capital assets will be consistent with the annual inventory of capital and small and attractive assets.
- The district shall maintain a surety bond for commissioners, district Secretary, fire chief, deputy chief, & finance officer in an amount equivalent to approximately two months of the district's maintenance and operations expense.

Transparency and Accountability

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.14 Transparency and Accountability (CWIFR, 2017m)*:

- Be open and transparent in decision-making, complying with both the letter and intent of *RCW 42.30 The Washington Open Public Meetings Act* and best practices in local government transparency
- Provide timely and easily accessible on-line information to our constituents, tax payers, and other members of our community or stakeholders

General Financial Guidelines

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.15 General Financial Guidance (CWIFR, 2017n)*:

- Develop comprehensive financial policies to assure the financial strength and accountability of the district. These policies shall be adopted by the board of fire commissioners and integrated into the development of financial SOGs to provide guidance for policy implementation and administrative procedures.
- Each of the district's divisions (administration, operations, community risk reduction, training & recruitment, facilities, and fleet maintenance) shares in the responsibility of meeting policy goals and long-term financial health.
- Financial affairs and physical infrastructure will be diligently managed in an efficient and effective manner to ensure the district's long-term financial health and provision of essential public services
- Adopted service plans and programs shall be developed to reflect current financial policies, projected resources, and future service delivery requirements.
- Service delivery will be analyzed on a periodic basis to ensure that quality services are provided to the community at the most competitive and economical cost. Emphasis will be placed on improving individual and work group productivity.
- Compensation planning and collective bargaining will focus on the total costs of compensation which includes direct salary, health care benefits, pension contributions, and other benefits which are a cost to the district. Total cost of compensation and specific operational, legal, or other compulsory items must be identified and discussed before ratification of collective bargaining agreements or personal services contracts by the board of fire commissioners.

Capital Projects Plan

The following financial policies have been established by the board of fire commissioners and are delineated in *Standard Operating Guideline (SOG) 1.4.7 Capital Projects Plan (CWIFR, 2017r)*:

- The threshold used in determining if a given asset qualifies for capitalization is \$5,000 per item with a useful life of over one year.
- The district will maintain its physical assets at a level that is adequate to protect its capital investment and to minimize future maintenance and replacement cost. The district budget will provide for adequate maintenance and orderly replacement of capital assets.
- CWIFR will maintain a ten-year plan for capital projects, inclusive of capital maintenance projects that are in alignment with the district's integrated comprehensive plan (strategic plan standard of coverage, fire and emergency services self-assessment, and long-term financial plan), update it annually and make capital improvements in accordance with the plan.
- The capital projects plan shall include details on each capital project plan including estimated costs, sources of financing, impact on operational expense, and a full description of the project.
- The capital projects plan will be updated annually and presented to the board of fire commissioners for adoption by resolution in advance of the annual operating and capital budget development process.
- The district will endeavor to transfer adequate revenue from the general fund to the capital projects fund on an annual basis to fund replacement of capital assets having a useful life of 20 years or less (e.g., fire apparatus, other vehicles, and equipment) with current revenue.
- The district will consider issuance of debt for large capital projects having a useful life over 20 years.
- The capital and operating budget processes shall be integrated to allow consideration of operating and capital expenditures within the context of the current and projected fiscal condition of the district.

Analysis of Financial Policies

The district's financial policies provide comprehensive guidance for the district's fiscal management. Analysis of these policies identifies several common themes central to long term financial planning. These include:

- Maintaining a conservative fiscal philosophy
- Fiscal responsibility and accountability to the district's residents and taxpayers.
- Make financial decisions in the best interests of the district's taxpayers
- Use of current revenues to fund current expenditures
- Avoiding use of one-time funds for ongoing expenses
- Maintaining adequate reserves and avoiding depletion of reserves for ongoing expenses
- Careful and considered use of debt to address major capital projects

Appendix C – Long-Term Financial Plan Summary

Introduction

Central Whidbey Island Fire & Rescue's (CWIFR's) *Integrated Comprehensive Plan Volume 5-Long-Term Financial Plan* (CWIFR, 2020a) provides a detailed picture of fiscal position, options to maintain or improve current service delivery levels, financial strategy, and plan to allow the district to continue to meet our community's needs for fire and rescue services. Refer to the complete long-term financial plan for detailed explanation and justification supporting this summary.

The district's long-term financial plan is tightly coupled with the other elements of the district's integrated comprehensive plan as previously illustrated in Figure 15 of this budget document. The district's integrated comprehensive planning process (CWIFR, 2018c) ensures alignment between the district's strategic goals and other plan components inclusive of the long-term financial plan, capital projects plan, and annual operating and capital budgets.

This Appendix to Central Whidbey Island Fire & Rescue's 2021 Adopted budget summarizes key elements of long-term financial plan. Download the complete [CWIFR Integrated Comprehensive Plan Volume 5-Long Term Financial Plan](#) (CWIFR, 2020a).

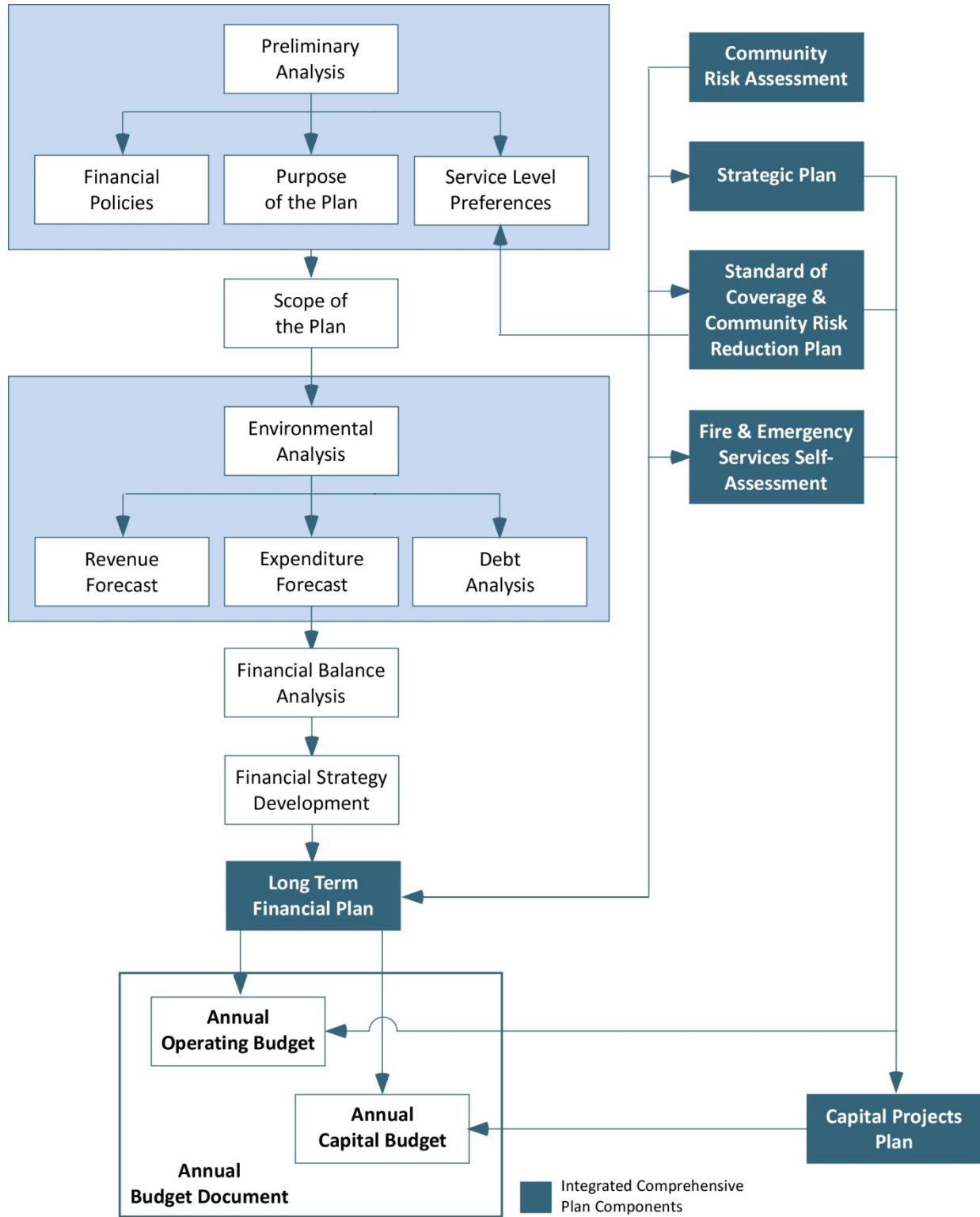
Long Term Financial Planning

Long term financial planning involves resource and requirements forecasting and strategizing how to meet both current and future needs of the community. This process requires developing a financial forecast projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables.

Financial Planning Process

As with all municipal corporations in Washington state, the district has an ongoing struggle with the gap between increasing expense and constitutionally limited increases in tax revenue. To address these ongoing fiscal challenges, the district has adapted fiscal environment analysis (FEA) (Kavanaugh, 2007) as a method for measuring and evaluating fiscal condition and to provide comprehensive long-term fiscal planning consistent with the best practices advocated by the Government Finance Officers Association (GFOA, 2020). Since 2010, Central Whidbey Island Fire & Rescue has used scenario based financial planning to address fiscal challenges and chart a course for the future. Subsequently, long-term financial planning has been established as an integral component of the district's Integrated Comprehensive Plan (CWIFR, 2018c). Figure 36, illustrates the relationship between long-term financial plan, the other elements of the integrated comprehensive plan, and the district's annual operating and capital budgets.

Figure 35. Financial Planning Process



Note: Adapted from Kavanaugh, S. (2007) Financing the Future. Chicago: Government Finance Officers Association

The district's long-term financial plan is reviewed annually as part of the annual budget process and updated at the end of the fourth quarter on a two-year cycle (CWIFR 2018e). Revisions to the long-term financial plan are re-adopted by the board of fire commissioners by resolution.

Purpose of the Plan

The purpose of Central Whidbey Island Fire & Rescue's long-term financial plan is to provide guidance to meeting the community's desired level of service on a fiscally sustainable basis.

Scope of the Plan

Central Whidbey Island Fire & Rescue's long-term financial plan addresses the following funds across a time frame of 10 years:

- General fund
- Capital projects fund
- Compensated absences fund
- Bond fund
- Debt service fund

While the district's long-term financial plan has a 10-year planning horizon, the plan is reviewed on an annual basis as part of the budget process and is revised on a two-year cycle (or more frequently if necessary) to ensure currency with anticipated changes in economic conditions. For example, the 2017 Long Term Financial Plan was revised in 2018 (rather than 2019) due to passage of a voter approved bond measure that allowed the district to achieve the financial goals previously established in the plan.

Current Fiscal Position

Since development of the district's first long-term financial plan (separate from its strategic plan) in 2015, Central Whidbey Island Fire & Rescue has achieved the fiscal goals established in that plan and significantly improved its financial position.

- The district's current (2020) general levy rate is \$1.13/\$1000. The levy rate has been reduced from its peak level of \$1.38/\$1000 following the 2012 lid lift. This levy rate reduction resulted from increased property values and new construction.
- Revenue generated from the district's interlocal agreement with the Whidbey Island Hospital District (dba WhidbeyHealth) increased from 201,495 to 281,000 annually, in the fourth quarter of 2018. This agreement expires on December 31, 2020, but is anticipated to be extended under current terms (tentative agreement)
- In 2020, the general fund beginning balance was approximately 119.01% of budgeted expenses, exceeding the minimum set aside of 43% (33% plus 10% Contingency) established by the board of fire commissioners.

- In 2020, the district's general fund began to experience a negative cash flow (revenue-expense). The district's negative cash flow is the result of constitutional limitations in property tax increases (1% annually) and increased cost of service.
- In 2021, the district's general fund beginning balance will start to decrease (based on negative general fund cash flow). However, the district will be able to sustain current service levels in the near term due to adequacy of the general fund beginning balance.
- Adequate funding is available in the capital projects fund and bond fund for near- to mid-term capital projects. The capital projects fund beginning balance will fluctuate considerably over the next several years based on the schedule of capital projects.
- The bond fund balance will be drawn down as capital projects funded by the bond (Station 53 renovation and three type one (structural fire engines) are completed. Debt service on the district's unlimited tax general obligation (UTGO) bond is funded through a separate, voter approved bond levy. The district's current (2020) bond levy rate is \$0.19/\$1000 and is anticipated to decrease slowly over time due to increased property value and new construction.
- The district anticipates maintaining its AAA Bond Rating with Standard and Poor's.

While the district is financially healthy, it faces several fiscal pressures that will impact on its financial position in the mid to long term.

- Constitutional and statutory limitations on revenue continue to provide a challenge to maintaining service levels in the face of rising expenses and increased demand for service.
- Increases in the state minimum wage and wages of comparable fire and rescue agencies have and will continue to impact personal services expense directly and indirectly.
- The current (2019) interlocal agreement (ILA) with WhidbeyHealth to staff a basic life support (BLS) ambulance expires December 31, 2020. The district and WhidbeyHealth have tentative agreement to continue this ILA through December 31, 2021 under the same terms and conditions based on the hospital's financial challenges related to the COVID-19 pandemic. This requires the district to absorb cost increases directly related to this service.
- Delays in construction of the new Station 53 will likely result in construction cost increases beyond those anticipated prior to passage of the district's unlimited tax general obligation bond used to fund this project. Some of this cost increase will be offset by investment of bond funds prior to the start of construction. However, investment income will be unlikely to cover the full impact of cost increases.
- The district does not have enough revenue to fund identified capital facilities needs beyond those currently programmed and some programmed facility projects may need to be deferred to provide sufficient funding to complete construction of the new Station 53.
- The district has a potential liability for compensated absences for full-time employees that exceeds current funding in the compensated absences fund. However, it is anticipated that the

compensated absences fund can be brought to full funding based on anticipated staff longevity and anticipated retirement dates.

This long-term financial plan identifies strategies to address maintaining a solid fiscal position and to address these challenges.

Financial Planning Assumptions

The district's annual maintenance and operations and capital budgets (short term perspective), capital projects plan (long-term perspective), and long-term financial plan (long-term perspective) must out of necessity be based on assumptions about the future. Transparency in fiscal decision-making and policy require that these assumptions be clearly stated and shared to ensure a common understanding. The district's long-term financial plan covers a span of ten-years. Some of the planning assumptions extend for the full duration of the plan while others consider a shorter timeframe. To provide a common framework, assumptions may be categorized as short-term, mid-term, or long-term as illustrated in Table 51.

Table 51. Financial Assumption Timeframes

| Category | Time Frame |
|------------|----------------|
| Short-Term | 1 to 1 ½ Years |
| Mid-Term | 1 ½ to 5 Years |
| Long-Term | 5 to 10 Years |

General Economic Assumptions

There are several assumptions about the economy of the United States, Washington State, Island County, and the local community that must be considered in both the short- and long-term.

Assumption G1: A global recession began in February 2020 because of the COVID-19 pandemic. Recovery from this recession will likely begin in late 2020 or early 2021 with slow recovery over the next 12 to 36 months.

Assumption G2: The recession impacting the United States, and global economy has also impacted Washington State, Island County, and the local economy. It is likely that recovery will be slower in Island County than in the remainder of the state.

Assumption G3: Real estate values have continued to increase despite the recession and the real estate market will continue to be strong. Assessed valuation in Island County will continue to increase due to new construction and growth in property values over the next several years.

For additional detail supporting these assumptions, see the analysis of economic outlook in the district's long-term financial plan.

Revenue Assumptions

CWIFR's long-term financial plan is based on three constitutional and statutory limitations and nine assumptions regarding revenue.

The Washington State Constitution and related laws strictly limit the amount of property tax that local taxing districts can levy. While tax limitations are complex, there are three particularly important limitations for fire districts. These limitations are accepted as given within the context of the financial planning process:

Constitutional Limitation: Initiative 747, passed by the state's voters in 2001 which changed the state constitution to limit annual increases in property taxes levied to 1%, plus revenue from new construction added to the tax rolls in the previous year (Washington State Constitution Amendment 95 Article 7 Section 2).

Washington House Bill (HB) 1764 considered in the 2017 legislative session Adopted replacement of the 1% property tax limitation with a limitation tied to cost drivers such as inflation and increases in population and a cap of 5%. This bill did not pass but indicates that there is awareness in the legislature of the negative impacts of the 1% limitation on the ability of local governments to meet the service delivery requirements of their respective communities.

Statutory Limitation-Fire Districts: The Revised Code of Washington (RCW) limits fire districts to a maximum regular property tax rate of \$1.50/\$1000 of assessed value (AV) (RCW 52.16.130, 140, 160).

Statutory Limitation Emergency Medical Services (EMS): The RCW allows an EMS levy to a maximum regular property tax rate of \$0.50/\$1000 of AV (RCW 84.062.59). The Whidbey Island Public Hospital District levies this tax and other taxing districts within the hospital district's boundaries are precluded from levying a tax for EMS services.

The rationale behind the tax structure as set up in the state constitution and related laws is that the amount that it costs to deliver essential government services such as fire protection, rescue, and emergency medical care is not based on property values. Cost should be based on the level of service desired by the community, with the cost shared based on property value.

While it is necessary to present a lid lift to the voters when additional funds are needed to maintain the district's service level, success of such measures is dependent on public trust, desire to maintain current service level, and economic conditions.

Assumption R1: With a levy rate below the statutory maximum of \$1.50/\$1000 AV for the general levy, growth in the district's revenue will be slow, but stable over the duration of this plan. Revenue from the district's unlimited tax general obligation (UTGO) bond levy is not impacted by fluctuations in AV.

Assumption R2: The district's Assessed Valuation (AV) will increase between 10% and 12% per year over the next two years, reducing the district's levy rate while maintaining a maximum 1% increase in the district's maximum tax levy.

Assumption R3: In the long term, average annual increase in AV will be close to the historic level of 5.64% (an average annual increase of 5% is used in this plan).

Assumption R4: The AV increase in 2021 will be between \$20,000,000 and \$30,000,000, similar to the increase in 2020. In the long term, the average annual increase in AV due to new construction will be between \$7,000,000 and \$15,000,000 (based on Assumption R3).

Assumption R5: In the long term, the district will collect 100% of property taxes levied (based on historical data for tax collection within the district).

Assumption R6: Revenue generated through the interlocal agreement between the district and Whidbey Island Hospital District (d.b.a. WhidbeyHealth) to staff a Basic Life Support Ambulance will continue and increase moderately in the midterm.

Assumption R7: Revenue generated through interlocal agreements with the Town of Coupeville and Island County for Fire Prevention Inspections will continue at their current level in the near- to mid-term.

Assumption R8: Future increases in revenue generated through the interlocal agreements with WhidbeyHealth, The Town of Coupeville, and Island County are unknown but challenged by the similar economic factors and constraints impacting all special districts in Washington State.

Assumption R9: Revenue generated through interlocal agreements with the Washington State Patrol (fire marshal's office), Washington Department of Natural Resources, and Washington Military Department (emergency management) for all-hazards mobilization and wildland firefighting operations will continue, and likely increase in the mid- to long-term.

For additional detail supporting these assumptions, see the analysis of economic outlook in the district's long-term financial plan.

Expenditure Assumptions

Expenditure assumptions are influenced by inflation in the long term. As discussed in examination of the national and regional economic outlook, there are multiple measures of inflation, but all follow the same general trend, with cost increasing over time.

CWIFR's long-term financial plan is based on one statutory impact and four assumptions regarding expenditures.

Minimum Wage Statute: Initiative 1433 passed by Washington state voters in 2016 and Revised Code of Washington (RCW) 49.46.020 resulted in a 42.55% increase in the minimum wage over four years (2017-2020). Beyond 2020, the minimum wage will be adjusted based on the CPI-W.

This statutory impact on the minimum wage has a direct impact on the district's part-time staff and indirect impact on all personal services expenses due to upward pressure on wages across the board. Minimum wage increases also have the potential to impact other expenses for locally sourced goods and services.

Assumption E1: The CPI-U and CPI-W are likely to increase slightly higher than 2.5% in the short term and between 2.0% and 2.5% per year in the mid to long term.

Assumption E2: The cost of equipment and services not included in the CPI-U or CPI-W are also likely to increase between 1.5% and 3% per year in the mid- to long-term.

Assumption E3: The State's minimum wage is directly tied to increases in the CPI-W (RCW 49.46.020). While district staff are all paid above minimum wage, increases will continue upward pressure on wages across all classifications.

Assumption E4: The district has maintained a total compensation position in the labor market for the district's employees. While not specifically tied to the CPI, it is likely that this median will increase at approximately the same rate as the CPI-U and CPI-W.

For additional detail supporting these assumptions, see the analysis of economic outlook in the district's long-term financial plan. The district uses the national Consumer Price Index-All Urban Consumers (CPI-U) as recommended by the Bureau of Labor Statistics (MRSC, 2018 & BLS, 2019) as a basis for anticipating increases in personal service.

Based on board of fire commissioner's policy direction, the district has maintained a total compensation position in the labor market at or near the median of comparable agencies. Total compensation studies are completed by Central Whidbey Island Fire & Rescue on a two-year (executive and part-time staff) cycle or on the duration of the collective bargaining agreement for represented employees.

Debt Assumptions

Debt has been broadly interpreted to mean all borrowed money payable from taxes. This includes all general obligation debt, but not obligations payable from nontax revenue sources, such as revenue bonds. Also, obligations that can be discharged from funds currently available, such as warrants and accounts payable, are not considered debt for purposes of these statutes. The amount of debt that may be issued by governmental entities in Washington is limited by Article VIII Section 6 of the State Constitution and by individual statutes pertaining to the specific type of governmental entity.

There are several debt limitations based on the provisions of the Washington State Constitution and Revised Code of Washington (RCW). These limitations are accepted as given within the context of the financial planning process:

Statutory Debt Limitations: In accordance with the provisions of the Revised Code of Washington (RCW) 52.16.061 General obligation bonds – Issuance – Limitations, the district is limited to an amount equal to 0.375 percent of assessed valuation for non-

voted debt and 1.25 percent of assessed valuation for voted debt. Any non-voted debt issued counts as part of the overall 1.25 percent limit.

Debt capacity is determined based on the following factors:

- Total assessed taxable property value
- Total amount of general obligation debt (inclusive of voted and non-voted debt)
- Amount of assets available to pay the debt

Assets available to pay debt include all applicable cash and cash equivalents available for the payment of general obligations. This includes cash in debt service funds reserved for the payment of general obligation debt. Generally, cash outside of debt service funds is used to meet current obligations. The following types of funds are not available to pay debt service:

- Cash or investments that are restricted for other than debt payment purposes
- Cash or investments that will be used to make interest payments during the initial months of the subsequent fiscal year prior to property tax collections
- Uncollected taxes from prior years except taxes specifically levied for debt redemption

Non-voted debt is issued without a vote of the taxpayers. The debt service on non-voted debt is paid out of general government revenues. Voted debt is authorized by the taxpayers at an election. The debt service on voted debt is paid from excess property tax levies under RCW 84.52.056.

A bond rating is a grade given to bonds that indicates their credit quality. Private independent rating services such as Standard & Poor's, Moody's and Fitch provide these evaluations of a bond issuer's financial strength, or the ability to pay a bond's principal and interest in a timely fashion. Bond ratings are expressed as letters ranging from AAA, which is the highest grade, to C (junk), which is the lowest grade. Different rating services use the same letter grades but use various combinations of upper- and lower-case letters to differentiate themselves.

Appropriation risk refers to the risk to the district. With a LTGO bond, the district is obligated to pay the debt service from current revenue (e.g., regular levy). In this case debt service must be paid prior to any other debt. On the other hand, with a UTGO, the voters have pledged to pay the debt service with the levy rate falling as assessed value increases or increasing. As a voter approved bond has its own levy, the risk to maintaining current levels of service in the event of a financial downturn is minimal.

The district's voters approved a \$7,424,543, 20-year bank qualified unlimited tax general obligation (UTGO) bond in November 2017 for renovation and expansion of Fire Station 53 and acquisition of three Type one (structural) fire engines. After passage of this bond measure, the district received the highest bond rating grade of AAA from Standard and Poor's. The AAA bond rating grade was based on the following key factors: 1) Demonstrated track record of very strong fund balances in the general fund; 2) strength of the local economy; 3) growth in assessed value;

4) financial management practices and policies; and 5) experienced management in operating the district in an efficient manner

CWIFR's long term financial plan reflects the following given and three assumptions regarding debt:

Current Debt: In 2017, the district issued \$7,424,543 in unlimited tax general obligation (UTGO) bonds and current debt is \$6,682,768. The district's voter approved bond levy generates revenue required for debt service on these bonds and the bond levy rate will decrease as assessed value increases.

Assumptions related to debt reflect the district's capital projects plan and financial policies.

Assumption D1: The district does not currently have and does not anticipate any limited tax general obligation (LTGO) debt.

Assumption D2: The district does not anticipate addition of any additional unlimited tax general obligation (UTGO) debt within the duration of this plan.

Assumption D3: The district anticipates maintaining its AAA bond rating.

Financial Balance Analysis

Measuring and evaluating the fiscal condition of a municipal corporation such as a fire district is complex and whatever framework is used, evaluation requires knowledge of the jurisdiction and experienced judgment. Measurement and evaluation of fiscal condition is an ongoing process that must consider both internal factors and the influence of the external environment.

Assessment of fiscal conditions generally attempts to answer the ability of a governmental entity to do one or more of the following (Ramsey, 2013):

- Pay current bills
- Balance the annual budget
- Satisfy long-term financial obligations
- Meet current service level requirements
- Meet future service level requirements

Consistent with the board of fire commissioner's conservative fiscal philosophy, adopted policies and standard operating guidelines, the district maintains a balanced budget with revenues exceeding expenditures. In addition, the district maintains a general fund ending balance of 43% of budgeted expenditures in the subsequent year to provide:

- Adequate beginning balance in the general fund to meet current expense in advance of receipt of tax revenue in April (estimated as 33% of the maintenance and operations budget)
- Contingency comprised of 10% of the maintenance and operations budget for use in the event of unbudgeted or unanticipated expenses, if authorized by the board of fire commissioners.

Use of voter approved, unlimited tax general obligation (UTGO) bonds with a related bond levy (separate from the district's general levy) has allowed the district to address several major capital projects, while maintaining current service levels.

While the current position of the district is fiscally sound, constructional and statutory limits on revenue increase in combination with the increasing expense of maintaining current service delivery levels presents the district with a challenge; increase revenue or decrease the level of service to the community. To this point, the board of fire commissioners and the district's voters have indicated a preference to maintain or improve the level of service provided to our community.

Financial Strategy

Scenario planning is a powerful tool in establishment of strategic direction and priorities. Scenarios provide perspective on potential events and their consequences, providing a decision-making context for policy makers and managers. Scenarios focus on the interrelated effect of multiple factors and provide alternative views of the future. With consideration of a range of possible futures, decisions are better informed, and a strategy based on this deeper insight is more likely to succeed.

Potential financial strategies in the district's long-term financial plan are based on examination of two basic scenarios. The first, a baseline scenario examines fiscal conditions without any action to increase general levy revenue to address capital projects and/or maintain current service delivery levels. The second scenario examines use of a lid lift to maintain current service delivery levels and address capital projects requirements.

It is essential to remember that these scenarios are not predictions! Key variables such as changes in assessed valuation (AV), inflation rate, and service level demand are defined based on consideration of historical data along with likely variation (but actual changes may be somewhat different than defined in the scenarios).

Analysis of Fiscal Position

Analysis of CWIFR's fiscal position presented in each scenario must be considered on multiple dimensions. These include:

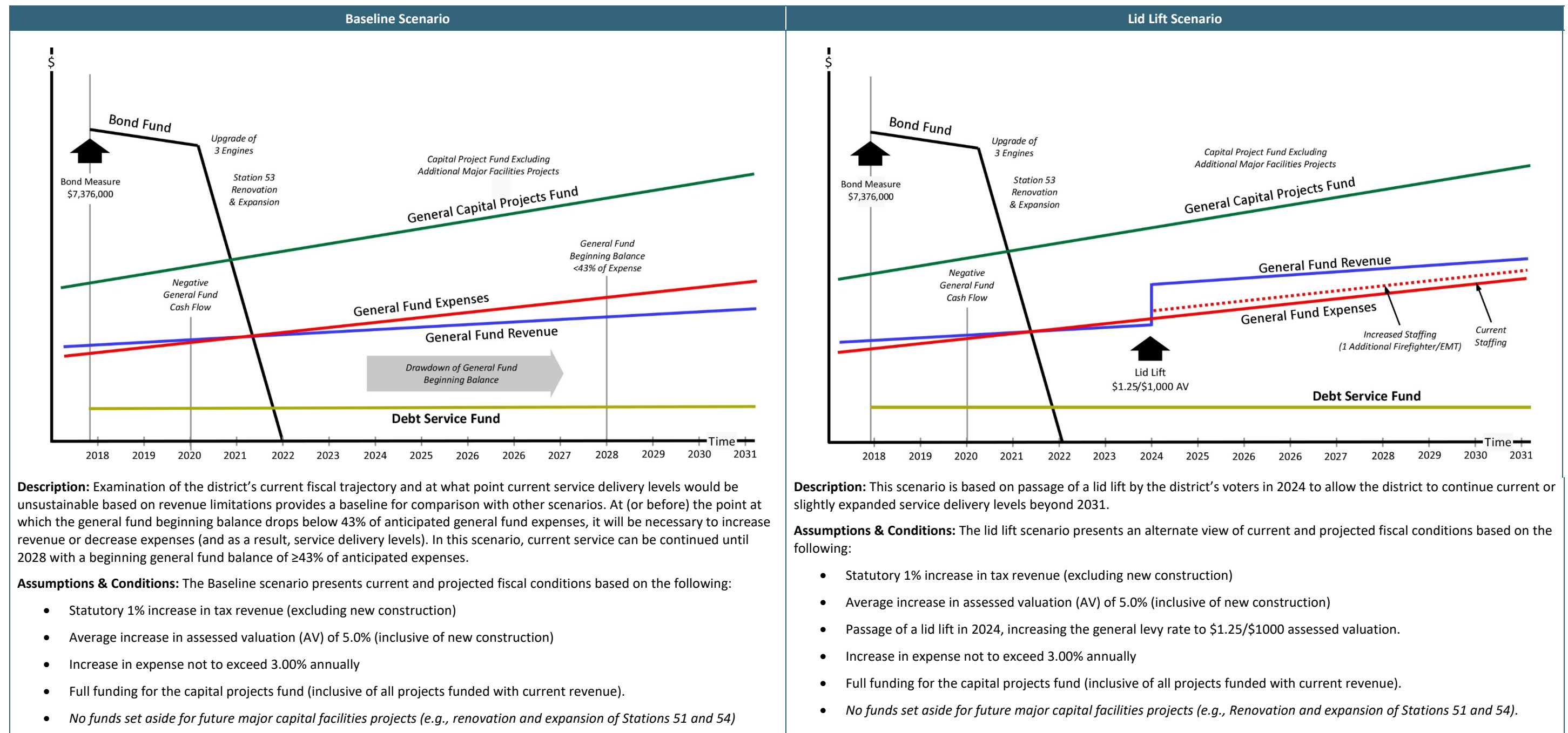
- The district's ability to maintain a balanced budget as indicated by a positive general fund cash flow.
- Multi-year trends in beginning fund balance (increasing or decreasing) for each fund.
- Adequacy of the general fund beginning balance of at least 43% of budgeted maintenance and operations expenses (Inclusive of a contingency reserve of 10%).
- Ability to maintain adequate funding and cash flow in the capital projects fund to meet capital apparatus and equipment needs and to meet programmed capital facility needs.

Overview of Scenarios

Table 52 provides an overview of the two scenarios examined in the long-term financial plan: baseline and lid lift. Graphs are provided in this table to provide a conceptual picture of the scenarios and outcomes. It is important to note that these graphs are not drawn to exact scale but are configured to provide a clear illustration of the concepts involved in limited space.

This summary provides detailed financial analysis of the lid lift scenario (supporting the district's financial strategy as discussed in the subsequent section of this Appendix). Detailed financial analysis of the baseline scenario is provided in *Integrated Comprehensive Plan Volume 5 – Long-Term Financial Plan* (CWIFR, 2020a).

Table 52. Fiscal Scenario Overview



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Lid Lift Scenario

The district entered a negative cash flow condition in 2020. Under present fiscal conditions, the district will be able to maintain current service delivery levels until 2028. Absent an increase in revenue prior to that time, the district would need to reduce service delivery level related expenses to maintain a balanced budget. A modest increase in tax revenue will allow the district to maintain or improve service delivery levels well past the term of this long-term financial plan. The Lid Lift scenario is based on a voter approved increase in the levy rate to \$1.25/\$1000 in 2024 (lid lift) and presents an alternate view of current and projected fiscal conditions given the following assumptions:

- Statutory 1% increase in tax revenue (excluding new construction)
- Average increase in assessed valuation (AV) of 5.0%
- Increase revenue due to new construction based on new construction comprising 0.8% of AV.
- Increase in net expense not to exceed 3.00% annually
- Transfer of funds from the general fund to the capital projects fund to maintain adequate cash flow to meet capital apparatus and equipment needs.
- No funds set aside for capital major facilities projects.
- Passage of a lid lift increasing the district's general levy rate from \$0.99/\$1000 assessed valuation (AV) to \$1.25/\$1000 AV (an increase of \$0.26)

As illustrated in Table 53, this lid lift would permit the district to sustain current service delivery levels well past 2031 based on the policy to maintain a beginning general fund Balance of 43% of budgeted expenditures (10% contingency and 33% for expenditures prior to receipt of current year tax revenue).

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Table 53. Lid Lift Long Term Cash Flow Projection (Revision 11.1)

| General Fund | Actual 2019 | Adjusted 2020 | Proposed 2021 | Projected | | | | | | | | | |
|--|-------------|---------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| Beginning General Fund Balance | \$2,934,596 | \$3,210,775 | \$3,161,433 | \$2,995,217 | \$2,792,833 | \$2,549,976 | \$2,930,703 | \$3,293,961 | \$3,630,121 | \$3,939,031 | \$4,218,147 | \$4,464,147 | \$4,674,841 |
| Contingency (Administrative) Fund (10% of M&O) | \$230,532 | \$235,886 | \$272,800 | \$280,983 | \$289,413 | \$298,095 | \$307,038 | \$316,249 | \$325,737 | \$335,509 | \$345,574 | \$355,941 | \$366,620 |
| Beginning GF Balance (Less Contingency) | \$2,704,064 | \$2,974,890 | \$2,888,634 | \$2,714,233 | \$2,503,420 | \$2,251,881 | \$2,623,665 | \$2,977,711 | \$3,304,384 | \$3,603,522 | \$3,872,572 | \$4,108,205 | \$4,308,221 |
| Revenue | | | | | | | | | | | | | |
| Taxes | \$2,335,038 | \$2,405,684 | \$2,455,509 | \$2,500,690 | \$2,546,703 | \$3,259,741 | \$3,319,721 | \$3,380,803 | \$3,443,010 | \$3,506,362 | \$3,570,879 | \$3,636,583 | \$3,703,496 |
| State Generated Revenue | \$7,641 | \$14,476 | \$8,000 | \$8,000 | \$8,000 | \$8,000 | \$8,000 | \$8,000 | \$8,000 | \$8,000 | \$8,000 | \$8,000 | \$8,000 |
| Charges for Service | \$238,907 | \$363,000 | \$323,000 | \$323,000 | \$323,000 | \$323,000 | \$323,000 | \$323,000 | \$323,000 | \$323,000 | \$323,000 | \$323,000 | \$323,000 |
| Miscellaneous Revenue | \$80,634 | \$44,773 | \$47,823 | \$46,023 | \$43,832 | \$41,203 | \$45,325 | \$49,257 | \$52,896 | \$56,240 | \$59,261 | \$61,924 | \$64,205 |
| Other Revenue | \$10,107 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| Total Operating Revenues | \$2,672,328 | \$2,830,433 | \$2,836,832 | \$2,880,214 | \$2,924,036 | \$3,634,445 | \$3,698,545 | \$3,763,560 | \$3,829,406 | \$3,896,102 | \$3,963,640 | \$4,032,007 | \$4,101,201 |
| Expenditures | | | | | | | | | | | | | |
| Regular Budgeted Expenditures (M&O General Fund) | \$2,167,925 | \$2,631,964 | \$2,727,995 | \$2,809,835 | \$2,894,130 | \$2,980,954 | \$3,070,382 | \$3,162,494 | \$3,257,369 | \$3,355,090 | \$3,455,742 | \$3,559,415 | \$3,666,197 |
| Contingency Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Expenditures | \$2,167,925 | \$2,631,964 | \$2,727,995 | \$2,809,835 | \$2,894,130 | \$2,980,954 | \$3,070,382 | \$3,162,494 | \$3,257,369 | \$3,355,090 | \$3,455,742 | \$3,559,415 | \$3,666,197 |
| Non-Expenditures | | | | | | | | | | | | | |
| Total Non-Expenditures | \$10,744 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Net Interfund Transfers | | | | | | | | | | | | | |
| To/From General Capital Projects Fund | \$205,119 | \$210,331 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 |
| To/From Compensated Absences Fund | \$12,360 | \$28,016 | \$31,837 | \$29,546 | \$29,547 | \$29,548 | \$21,689 | \$21,690 | \$19,911 | \$18,681 | \$18,682 | \$18,683 | \$18,684 |
| To/From Grants Management Fund | \$0 | \$7,464 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Net Transfers To/From General Fund | \$217,479 | \$245,811 | \$273,053 | \$270,762 | \$270,763 | \$270,764 | \$262,905 | \$262,906 | \$261,127 | \$259,897 | \$259,898 | \$259,899 | \$259,900 |
| Ending General Fund Balance | | | | | | | | | | | | | |
| Contingency (Administrative) Fund Ending Balance | \$230,532 | \$235,886 | \$272,800 | \$280,983 | \$289,413 | \$298,095 | \$307,038 | \$316,249 | \$325,737 | \$335,509 | \$345,574 | \$355,941 | \$366,620 |
| Ending GF Balance (Less Contingency) | \$2,980,243 | \$2,925,548 | \$2,722,417 | \$2,511,850 | \$2,260,563 | \$2,632,607 | \$2,986,922 | \$3,313,872 | \$3,613,294 | \$3,882,638 | \$4,118,572 | \$4,318,899 | \$4,481,325 |
| Total Ending General Fund Balance | \$3,210,775 | \$3,161,433 | \$2,995,217 | \$2,792,833 | \$2,549,976 | \$2,930,703 | \$3,293,961 | \$3,630,121 | \$3,939,031 | \$4,218,147 | \$4,464,147 | \$4,674,841 | \$4,847,945 |

Table 53. Lid Lift Long Term Cash Flow Projection (Revision 11.1) Continued

| Capital Projects Fund | Actual 2019 | Adjusted 2020 | Proposed 2021 | Projected | | | | | | | | | |
|--|-------------|---------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| Beginning Capital Projects Fund Balance | \$1,664,994 | \$1,775,053 | \$1,424,885 | \$1,365,972 | \$1,282,590 | \$1,538,556 | \$1,778,903 | \$2,021,048 | \$2,270,647 | \$2,407,717 | \$2,676,622 | \$2,854,408 | \$3,034,239 |
| Revenue | | | | | | | | | | | | | |
| Miscellaneous Revenue (Investment Interest) | \$17,676 | \$3,364 | \$17,099 | \$16,392 | \$15,391 | \$18,463 | \$21,347 | \$24,253 | \$27,248 | \$28,893 | \$32,119 | \$34,253 | \$36,411 |
| Net Interfund Transfers | | | | | | | | | | | | | |
| To/From General Fund | \$205,119 | \$210,331 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 | \$241,216 |
| Expenditures | | | | | | | | | | | | | |
| Investment Fee | \$238 | \$168 | \$712 | \$683 | \$641 | \$769 | \$889 | \$1,011 | \$1,135 | \$1,204 | \$1,338 | \$1,427 | \$1,517 |
| Vouchers (Capital Projects Fund) | \$112,498 | \$563,696 | \$316,515 | \$340,306 | \$0 | \$18,563 | \$19,528 | \$14,859 | \$130,258 | \$0 | \$94,211 | \$94,211 | \$0 |
| Ending Capital Projects Fund Balance | \$1,775,053 | \$1,424,885 | \$1,365,972 | \$1,282,590 | \$1,538,556 | \$1,778,903 | \$2,021,048 | \$2,270,647 | \$2,407,717 | \$2,676,622 | \$2,854,408 | \$3,034,239 | \$3,310,349 |
| Bond Fund | | | | | | | | | | | | | |
| Beginning Bond Fund Balance | \$7,457,820 | \$7,504,014 | \$6,728,981 | \$1,808,650 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Revenue | | | | | | | | | | | | | |
| Taxes-Bond Levy | \$408,389 | \$385,300 | \$401,250 | \$411,600 | \$426,500 | \$440,800 | \$457,400 | \$473,000 | \$492,600 | \$506,000 | \$523,400 | \$544,600 | \$564,400 |
| Miscellaneous Revenue (Investment Interest) | \$142,270 | \$108,532 | \$100,935 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Interfund Transfers | | | | | | | | | | | | | |
| To/From Debt Service Fund | \$372,700 | \$385,300 | \$401,250 | \$411,600 | \$426,500 | \$440,800 | \$457,400 | \$473,000 | \$492,600 | \$506,000 | \$523,400 | \$544,600 | \$564,400 |
| Expenditures | | | | | | | | | | | | | |
| Investment Fee | \$100 | \$3,000 | \$3,364 | \$904 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Vouchers (Bond Fund) | \$131,665 | \$880,565 | \$5,017,902 | \$1,807,745 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ending Bond Fund Balance | \$7,504,014 | \$6,728,981 | \$1,808,650 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Debt Service Fund | | | | | | | | | | | | | |
| Beginning Debt Service Balance | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 |
| Net Interfund Transfers | | | | | | | | | | | | | |
| To/From Bond Fund | \$372,700 | \$385,300 | \$401,250 | \$411,600 | \$426,500 | \$440,800 | \$457,400 | \$473,000 | \$492,600 | \$506,000 | \$523,400 | \$544,600 | \$564,400 |
| Expenditures | | | | | | | | | | | | | |
| Vouchers (Debt Service) | \$372,700 | \$385,300 | \$401,250 | \$411,600 | \$426,500 | \$440,800 | \$457,400 | \$473,000 | \$492,600 | \$506,000 | \$523,400 | \$544,600 | \$564,400 |
| Ending Debt Service Balance | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 | \$2,343 |

Table 53. Lid Lift Long Term Cash Flow Projection (Revision 11.1) Continued

| Compensated Absences Fund | Actual 2019 | Adjusted 2020 | Proposed 2021 | Projected | | | | | | | | | |
|---|--------------|---------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| Beginning Compensated Absences Balance | \$30,984 | \$43,808 | \$71,895 | \$104,774 | \$103,932 | \$134,986 | \$105,387 | \$128,604 | \$136,904 | \$145,535 | \$166,325 | \$187,419 | \$208,819 |
| Revenue | | | | | | | | | | | | | |
| Miscellaneous Revenue (Investment Interest) | \$463 | \$71 | \$1,078 | \$1,572 | \$1,559 | \$2,025 | \$1,581 | \$1,929 | \$2,054 | \$2,183 | \$2,495 | \$2,811 | \$3,132 |
| Net Interfund Transfers | | | | | | | | | | | | | |
| To/From General Fund | \$35,360 | \$28,016 | \$31,837 | \$29,546 | \$29,547 | \$29,548 | \$21,689 | \$21,690 | \$19,911 | \$18,681 | \$18,682 | \$18,683 | \$18,684 |
| Expenditures | | | | | | | | | | | | | |
| Investment Fee | \$0 | \$0 | \$36 | \$52 | \$52 | \$67 | \$53 | \$64 | \$68 | \$73 | \$83 | \$94 | \$104 |
| Vouchers (Compensated Absences) | \$23,000 | \$0 | \$0 | \$31,908 | \$0 | \$61,104 | \$0 | \$15,255 | \$13,266 | \$0 | \$0 | \$0 | \$0 |
| Ending Compensated Absences Balance | \$43,808 | \$71,895 | \$104,774 | \$103,932 | \$134,986 | \$105,387 | \$128,604 | \$136,904 | \$145,535 | \$166,325 | \$187,419 | \$208,819 | \$230,530 |
| Grants Management Fund | | | | | | | | | | | | | |
| Beginning Grants Management Balance | \$2 | \$2 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Revenue | | | | | | | | | | | | | |
| Grants | \$0 | \$15,658 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Interfund Transfers | | | | | | | | | | | | | |
| To/From General Fund | \$0 | \$7,464 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | | | | | | | | | | |
| Vouchers (Grants Management) | \$0 | \$8,196 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ending Grants Management Balance | \$2 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| All Funds | | | | | | | | | | | | | |
| Total Ending Balance (All Funds) | \$12,535,996 | \$11,389,538 | \$6,276,956 | \$4,181,699 | \$4,225,862 | \$4,817,336 | \$5,445,957 | \$6,040,016 | \$6,494,627 | \$7,063,438 | \$7,508,318 | \$7,920,242 | \$8,391,168 |

Table 53. Lid Lift Long Term Cash Flow Projection (Revision 11.1) Continued

| Fiscal Performance Measures | 2019 | 2020 | 2021 | Projected | | | | | | | | | |
|---|-----------|-----------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| Fiscal Responsibility | | | | | | | | | | | | | |
| General Fund Revenue-General Fund Expense | \$286,924 | -\$47,342 | -\$164,217 | -\$200,383 | -\$240,857 | \$382,727 | \$365,258 | \$338,161 | \$310,910 | \$281,115 | \$248,000 | \$212,694 | \$175,104 |
| Expenditure/Capita | \$259.41 | \$307 | \$315 | \$321 | \$327 | \$334 | \$340 | \$347 | \$354 | \$361 | \$368 | \$375 | \$383 |
| % Change in General Fund Balance | 9.41% | -1.54% | -5.26% | -6.76% | -8.70% | 14.93% | 12.39% | 10.21% | 8.51% | 7.09% | 5.83% | 4.72% | 3.70% |
| % Change in Capital Projects Fund Balance | 6.61% | -19.73% | -4.13% | -6.10% | 19.96% | 15.62% | 13.61% | 12.35% | 6.04% | 11.17% | 6.64% | 6.30% | 9.10% |
| % Change in Compensated Absences Fund Balance | 41.39% | 64.11% | 45.73% | -0.80% | 29.88% | -21.93% | 22.03% | 6.45% | 6.30% | 14.29% | 12.68% | 11.42% | 10.40% |
| General Fund Cash Flow/General Fund Revenue | 10.74% | -1.67% | -5.79% | -6.96% | -8.24% | 10.53% | 9.88% | 8.99% | 8.12% | 7.22% | 6.26% | 5.28% | 4.27% |
| General Fund Ending Balance/General Fund Revenue | 120.15% | 111.69% | 105.58% | 96.97% | 87.21% | 80.64% | 89.06% | 96.45% | 102.86% | 108.27% | 112.63% | 115.94% | 118.21% |
| Long Term Debt/Assessed Value | 0.35% | 0.31% | 0.28% | 0.26% | 0.25% | 0.23% | 0.21% | 0.19% | 0.17% | 0.15% | 0.14% | 0.12% | 0.10% |
| Debt Service/Operating Revenue | 11.56% | 11.59% | 12.02% | 12.50% | 12.73% | 10.82% | 11.01% | 11.16% | 11.40% | 11.49% | 11.66% | 11.90% | 12.10% |
| % Full Funding of Contingency (Administrative) Fund | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| % Full Funding of Capital Projects Fund | 123.14% | 147.52% | 75.32% | 75.62% | 88.04% | 97.17% | 98.24% | 99.24% | 95.09% | 100.32% | 93.85% | 92.27% | 94.78% |
| % Full Funding of Compensated Absences Fund | 30.21% | 32.73% | 69.31% | 78.61% | 79.39% | 84.12% | 87.06% | 90.10% | 92.88% | 95.24% | 96.99% | 98.55% | 99.98% |
| Adequacy & Sustainability of Funding | | | | | | | | | | | | | |
| General Fund Balance as a % of GF Expense | 135.36% | 121.99% | 115.89% | 106.60% | 96.50% | 85.54% | 95.45% | 104.16% | 111.44% | 117.40% | 122.06% | 125.42% | 127.51% |
| Revenue/Capita | \$370.81 | \$374.93 | \$375.50 | \$377.89 | \$380.67 | \$458.41 | \$463.09 | \$467.70 | \$472.69 | \$476.82 | \$481.52 | \$486.45 | \$491.19 |
| Intergovernmental Revenues/Total Revenues | 7.37% | 12.82% | 11.39% | 11.21% | 11.05% | 8.89% | 8.73% | 8.58% | 8.43% | 8.29% | 8.15% | 8.01% | 7.88% |
| Property Tax/Total Revenues | 72.04% | 72.29% | 73.14% | 75.55% | 75.63% | 79.59% | 79.44% | 79.31% | 79.13% | 79.09% | 78.97% | 78.82% | 78.71% |
| General Levy Rate | \$1.23 | \$1.13 | \$1.09 | \$1.06 | \$1.03 | \$1.25 | \$1.21 | \$1.18 | \$1.14 | \$1.11 | \$1.07 | \$1.04 | \$1.01 |
| General Levy Rate/Maximum Levy Rate (\$1.50) | 82.00% | 75.33% | 72.67% | 70.48% | 68.36% | 83.33% | 80.83% | 78.39% | 76.03% | 73.75% | 71.53% | 69.37% | 67.29% |
| Bond Levy Rate | \$0.22 | \$0.19 | \$0.18 | \$0.18 | \$0.18 | \$0.18 | \$0.18 | \$0.18 | \$0.18 | \$0.18 | \$0.18 | \$0.18 | \$0.18 |
| Total Levy (General Levy + Bond Levy) | \$1.45 | \$1.32 | \$1.27 | \$1.24 | \$1.21 | \$1.43 | \$1.39 | \$1.36 | \$1.32 | \$1.29 | \$1.25 | \$1.22 | \$1.19 |

Note: Per capita values are based on an estimated 1% annual increase in population.

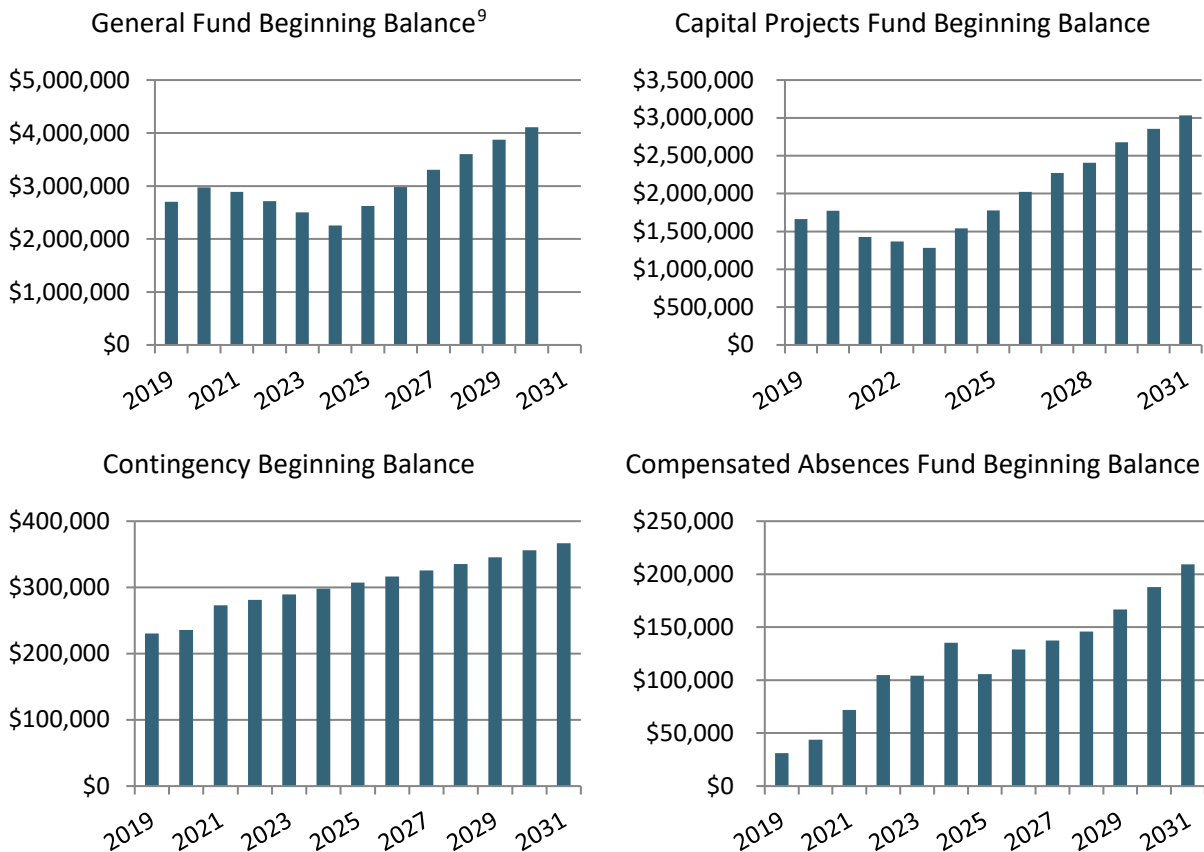
General Fund Cash Flow

As illustrated in Table 53, the district experiences a negative cash flow (revenue minus general fund expense and transfers to other funds) in 2020. Passage of a lid lift in 2024 returns the district to a positive cash flow and maintains an adequate general fund beginning balance (greater than 43% of anticipated expenses) well beyond 2031.

Beginning Fund Balance Trends

As in the baseline scenario, the general fund beginning balance began a continual decline in 2021. However, passage of a lid lift in 2024 will reverse this trend with positive cash flow continuing beyond the end of this long-term financial plan in 2031. Contingency beginning balance will remain consistent at 10% of anticipated annual general fund expenditures. The capital projects fund beginning balance fluctuates because of the timing of capital projects. The beginning balance of the compensated absences fund is anticipated to increase over the next ten years to meet current and anticipated liability for compensated absences. Each of these funds is dependent on transfers from the general fund and will potentially be impacted as the general fund beginning balance decreases.

Figure 36. Beginning Balance Trends



The bond fund beginning balance is anticipated to decrease between 2019 and 2021 as capital projects funded by the district’s voter approved, unlimited tax general obligation (UTGO) bond are completed.

⁹ This chart illustrates the general fund beginning balance less contingency (which is illustrated separately).

Subsequently, the beginning balance of both the bond and debt service funds are anticipated to fluctuate throughout the year due to receipt of tax revenue, interfund transfers, and payment of debt service, but to be stable on a year-to-year basis.

Adequacy of the General Fund Beginning Balance

The general fund beginning balance must be adequate to meet the district's operational expenses from January through March as tax revenue is received in April and November. The district has a policy to maintain a minimum general fund Beginning Balance of 43% of maintenance and operations expenses, inclusive of a 10% contingency reserve (CWIFR, 2017b, CWIFR, 2020c). As illustrated in Table 53, given a lid lift raising the levy rate to \$1.25/\$1000 assessed valuation (AV) in 2024 the district will maintain a general fund Beginning Balance above this minimum well beyond 2031 while maintaining adequate contingency and transfer to reserves for capital and compensated absences.

Capital Projects Fund

There is no change in the capital projects fund or programmed capital projects within the lid lift scenario. However, increased property tax revenue in 2024 will allow continuation of service delivery levels and transfer of adequate funding to the capital projects fund to allow the district to maintain 100% funding for all programmed projects well beyond 2031.

Considerations

Increasing revenue through use of a lid lift will allow the district to continue to provide service at current levels beyond 2028. While it would be possible to extend current service further by increasing the levy rate above \$1.25, this would erode the flexibility to absorb increases in levy rate that will occur if assessed valuation decreases. It is also possible to increase the regular levy rate less than \$1.25. However, this would reduce the amount of time that the district could continue its current service delivery levels.

As this scenario places the lid lift several years prior to reaching the minimum beginning balance in the general fund (43% of anticipated expenses), there is flexibility in scheduling placement of the lid lift on the ballot based on overall economic conditions in the nation, region, and locally.

The Bottom Line

Use of a lid lift is a viable option to maintain current service delivery term as increased revenue provided by a lid lift is adequate to meet operational and capital requirements for apparatus and equipment. However, as defined, this option does not provide revenue to future major capital facility needs (e.g. renovation and expansion of Stations 51 and 54).

Long Term Financial Plan

Central Whidbey Island Fire & Rescue (CWIFR) is funded predominantly through property taxes. Constitutional and statutory property tax limitations provide a reasonably predictable, but severely constrained tax revenue stream. As the 1% maximum annual increase in the lawful property tax levy does not keep pace with historical levels of inflation, it is necessary from time to time to present the district's voters with an option to increase the general levy to maintain or improve service delivery levels. Similarly, tax limitations make it difficult if not impossible for the district to address major capital projects such as fire station renovation or expansion without additional revenue such as received through a voter approved bond measure such as passed by the district's voters in 2017. Barring a change in the property tax structure within Washington state, this will continue to be a normal part of the district's fiscal planning and operations.

Fiscal Goals

The district strives to provide quality service in an efficient and affordable manner. The Long-Term Financial plan serves to address the district's strategic goals of ensuring adequate and sustainable funding as well as being fiscally responsible and operating with transparency. As outlined in this document, the district's fiscal strategy needs to address funding for capital projects as well as maintenance and operations expenses.

Current State

The district is financially healthy but will begin to experience a negative cash flow and resulting decrease in general fund beginning balance within the next several years. The current general fund balance should allow the district to sustain current service delivery levels through 2028 but will require an increase in revenue or decrease in expenses prior to then to maintain a balanced budget.

Action Plan

Central Whidbey Island Fire & Rescue's financial action plan focuses on the revenue and expense sides of the fiscal equation.

Revenue: The district has reach tentative agreement with WhidbeyHealth to continue its interlocal agreement to staff a basic life support ambulance under the current terms and conditions through December 31, 2021. The district will reenter negotiations with WhidbeyHealth in 2021 to determine future increases in revenue for providing this service.

The district's fire prevention interlocal agreements with the Town of Coupeville and Island County have remained level funded (fee based on square footage of the occupancies inspected) since their inception. As this program is funded by user fees set by the town and county respectively there is a degree of political complexity in adjusting payment for services. However, the district will explore this option with the parties to these agreements. In addition, there is a possibility to expand the scope of services provided to the Town of Coupeville in which the district would serve as the fire code official for the town. This would increase workload to some extent but would also provide revenue for this work along with additional revenue for work currently being performed.

The district entered interlocal agreements with the Washington State Patrol for all-hazards mobilization, Washington Department of Natural Resources (WA DNR) for wildland firefighting support, and the Washington Military Department (emergency management) for interstate mobilization in 2020. These three agreements provide for services on an as needed basis and the district has limited history on which to project future revenue. However, given the increasing severity of wildfires in the western United States it is likely that demand for both in-state and interstate mobilizations will continue.

Central Whidbey Island Fire & Rescue (CWIFR) will also continue to explore interlocal agreements for shared services which may generate revenue or limit cost.

While there is some potential to increase revenue through interlocal agreements providing fees for service, proportionately this is a small percentage of the district's total revenue. Any long-term revenue strategy must also consider property taxes and the district's levy rate. As previously noted, the 1% constitutional limitation on increases in property tax revenue (exclusive of new construction) ensures that expenses will exceed revenue at some point in the future. The district anticipates presenting a lid lift to the voters in 2024 as outlined in the Lid Lift Scenario. However, the exact timing of the lid lift ballot measure will depend on the district's future fiscal performance (e.g., assessed valuation, increase in revenue, and expenses).

Expenses: The district's long prospective cash flow analysis in the lid lift scenario is based on a maximum net expense increase of 3% annually. However, the district will endeavor to hold below this maximum when possible to do so while meeting current service delivery levels and the communities demand for service. This 3% net increase excludes expenses offset by specific revenue such as through in-state all hazards mobilization, wildland firefighting support, and interstate mobilization.

Appendix D - Glossary of Terms

Account: A term used to identify an individual asset, liability, expenditure, revenue, or fund balance.

Accounting System: The total set of records and procedures used to record, classify, and report information on the financial status and operations of an entity.

Accreditation: Accreditation is a comprehensive self-assessment and evaluation model that enables organizations to examine past, current, and future service levels and internal performance and compare them to industry best practices. This process leads to improved service delivery by helping fire departments to: 1) Determine community risk and safety needs. 2) Evaluate the performance of the department. 3) Establish a method for achieving continuous organizational improvement.

Accrual Basis Accounting: An accounting method under which revenues are recognized on the income statement when they are earned (rather than when the cash is received) and expenses are recognized when incurred (rather than when cash is paid).

Acting-in-Capacity (AIC): Working out of classification (e.g., a firefighter working as a lieutenant). Represented full-time employees are paid 5% AIC compensation when working at the next highest classification if they are fully qualified for this position and 3% AIC compensation if they are not fully qualified.

Actual: Monies which have already been used or received as opposed to budgeted monies which are estimates of funds that may be spent or received.

Adjusted Budget: The adjusted budget is an annual financial plan as adjusted by the board of fire commissioners during the fiscal year. Adjustments may include reduction or increase in line items on a net-zero (no change the appropriated total) or may involve an interfund transfer or increase in appropriation (usually as the result of an increase in revenue or new revenue stream).

Adopted Budget: The adopted budget is an annual financial plan approved by a resolution passed by the board of fire commissioners which forms the basis for annual appropriation and expenditure of funds.

Adverse Opinion: An auditor's opinion stating that financial statements do not fairly present financial position, results of operations and (when applicable) cash flows in conformity with generally accepted accounting principles (GAAP).

AIC: See acting-in-capacity.

Aid Unit: A vehicle licensed and equipped to provide basic life support (BLS) emergency medical care. Central Whidbey Island Fire & Rescue (CWIFR) operates one transport capable aid unit (under an interlocal agreement with WhidbeyHealth). In addition, the district has seven licensed aid vehicles (three command units, one type one engine, two type 6 engines, and rescue).

Apparatus Number: A numerical designation used to identify district vehicles. The first two digits of this number are the year purchased and the second two digits reflect the sequence in which the vehicle was purchased in that year (e.g., 1301 would indicate that this was the first vehicle purchased in 2013).

Appropriation: The legal authorization granted by the board of fire commissioners to make expenditures and incur obligations. An appropriation is usually limited in amount and as to the time when it may be expended.

Assessed Value (AV): The assessed valuation is the value set for real estate or other property by the County Assessor as a basis for levying property taxes.

Assets: Property which has monetary value.

Audit: An examination to determine the accuracy and validity of records and reports by an agency whose duty it is to make sure the district conforms with established procedures and policies.

AV: See Assessed Value.

Balanced Budget: Appropriations limited to the total of estimated revenues and the unencumbered fund balances estimated to be available at the close of the current fiscal year. At the fund level, a balanced budget is defined as funds total resources comprised of beginning fund balance, revenues, and other funds are equal to the total of expenditures, other fund use, and the funds ending balance.

BARS: See budgeting, accounting, and reporting system.

Basis of Accounting: A term used to refer to when revenues, expenditures, expenses, and transfers, and the related assets and liabilities, are recognized in the accounts and reported on the financial statements. It relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

Beginning Cash Balance: The amount of unexpended funds carried forward from one fiscal year to the next.

Benefits: Employer contributions paid by the fire district as part of the conditions of employment. Examples include health/dental insurance, state public employees' retirement system, and employment security.

BIAS Finance and Accounting System: The financing and accounting software suite used by the district. This system provides accounting, budgeting, accounts payable, bank reconciliation, and payroll functions.

Bond Rating: a grade given to bonds that indicates their credit quality. Private independent rating services such as Standard & Poor's, Moody's and Fitch provide these evaluations of a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion. Bond ratings are expressed as letters ranging from AAA, which is the highest grade, to C (junk), which is the lowest grade.

Different rating services use the same letter grades, but use various combinations of upper- and lower-case letters to differentiate themselves.

Bond: A written promise to pay a specific sum of money (principal) at a specified future date along with periodic interest rate. Bonds are typically used for long-term debt to pay for a capital expenditure.

Budget Adjustment: A change to a budget adopted in accordance with state law. A budget may be adjusted to increase expenditures/expenses at the fund level by Board approval with or without public notice or public hearing requirements, when unanticipated revenues occur, or emergencies exist.

Budget Adoption: Formal action in the form of a resolution by the board of fire commissioners which sets the spending limits for the fiscal year.

Budget Calendar: The schedule of key dates involved in the process of adopting and then executing an adopted budget.

Budget Document: The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of two parts. The first part contains a message from the budget-making authority, together with a summary of the Adopted expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to the past years' actual revenues, expenditures, and other data used in making the estimates.

Budget Hearing: The public hearings conducted by the board of fire commissioners to consider and adopt the annual budget.

Budget Message: The opening section of the budget which provides the board of fire commissioners and the Public with a general summary of the most important aspects of the budget in comparison with the current and prior years.

Budget Policy: An overall plan to guide present and future courses of action regarding the coordination of revenues and expenditures.

Budget: A plan of financial operation embodying an estimate of Adopted expenditures for a given period and the Adopted means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term budget is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary or approved.

Budgetary Reporting: The requirement to present budget-to-actual comparisons relating to general purpose external financial reporting. Budgetary reporting is required regarding the basic financial statements for both the general fund (current expense) and individual major special revenue funds with legally adopted annual budgets. Budgetary reporting is also required within the comprehensive annual

financial report to demonstrate compliance at the legal level of control for all governmental funds with legally adopted annual budgets.

Budgeting, Accounting, and Reporting System (BARS): Stands for budgeting, accounting, reporting system. The manual the State of Washington requires governmental entities (i.e., counties and cities) to use.

CAD: See computer aided dispatch system

Capital Assets: Land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, works of art, infrastructure, and all other tangible or intangible assets that are used in operations and have a value of greater than \$5,000 and a useful life greater than one year.

Capital Budget: A plan of adopted capital outlays and the means of financing them.

Capital Outlay: Fixed assets which have a value of \$5,000 or more and have a useful economic lifetime of more than one year.

Capital Projects Plan: A plan for capital expenditures to be incurred each year over a fixed period of years, identifying the expected beginning and ending date, and the amount to be expended in each year and the method of financing those expenditures.

Capital Projects: Projects which purchase or construct capital assets.

CAPT: See captain

Captain: A company officer serving as a second level supervisor who is responsible for managing lieutenants, firefighters, and emergency medical technicians. Volunteer captains are responsible for managing volunteer members assigned to their station. The full-time captain serves as the training and recruitment officer. The full-time captain is also certified as an emergency medical technician, volunteer captains may be certified as emergency medical technicians.

Cash Basis Accounting: The method of accounting where revenues are recorded when received and expenditures are recorded when paid.

Center for Public Safety Excellence (CPSE): The Center for Public Safety Excellence (CPSE) promotes the continuous quality improvement of fire and emergency service agencies that serve communities worldwide by providing training and career resource information. As a nonprofit, 501(c)(3) corporation, CPSE supports and encourages agencies and personnel to meet international performance standards through various programs and the work of two commissions: The Commission on Fire Accreditation International (CFAI) and the Commission on Professional Credentialing (CPC).

CFAI: See Commission on Fire Accreditation International.

Chart of Accounts: The classification system used by a governmental agency to organize the accounting for various funds.

COLA: See cost of living adjustment.

Command Unit: A vehicle equipped with communications equipment and configured as a mobile office for an officer responsible to function as the incident commander (IC) at incidents requiring multiple resources such as a structure fire, marine rescue, or major vehicle accident.

Commission on Fire Accreditation International (CFAI): A CFAI is the component of the Center for Public Safety Excellence responsible for fire department accreditation.

Commissioner: Elected official responsible for overall management of the district's affairs. The fire commissioners (as a body) appoint and supervise the fire chief.

Community Risk Reduction (CRR): CRR includes proactive and response measures taken by a community to reduce the impact of risk.

Compensated Absences Fund: This fund is used to account for assets held by the district for buyback of accrued annual leave and for executive staff, a specified percentage of unused long-term sick leave from the time of employee separation from the district (e.g., retirement).

Consumer Price Index (CPI): A statistical description of price levels provided by the United States Department of Labor. The index used as a measure of the increase in the cost of living.

Consumer Price Index for All Urban Consumers (CPI-U): The all-urban consumer population consists of all urban households in Metropolitan Statistical Areas (MSAs) and in urban places of 2,500 inhabitants or more. Non-farm consumers living in rural areas within MSAs are included, but the index excludes rural consumers and the military and institutional population.

Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): The urban wage earner and clerical worker population consists of consumer units consisting of clerical workers, sales workers, craft workers, service workers, or laborers. (Excluded from this population are professional, managerial, and technical workers; the self-employed; short-term workers; the unemployed; and retirees and others not in the labor force.)

Contingency: A budgetary reserve set aside within the general fund for emergencies or unforeseen expenditures not otherwise budgeted. For the purposes of budgetary reporting within the context of the Budgeting, Accounting, and Reporting System (BARS), Contingency is rolled up into the general fund

Core Competency: As used within the Commission on Fire Accreditation International accreditation process, core competencies are performance measures that must be met to achieve accreditation.

Cost of Living Adjustment (COLA): An increase in salaries to offset the adverse effect of inflation on compensation.

CPI: See consumer price index.

CPI-U: See consumer price index for all urban consumers

CPI-W: See consumer price index for urban wage earners and clerical workers

CPSE: See Center for Public Safety Excellence.

Criterion: As used within the Commission on Fire Accreditation International accreditation process, criterion are major elements of the fire and emergency services self-assessment process. Each criterion is comprised of core competencies and performance indicators.

CRR: See community risk reduction.

Debt Service Fund: Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service: The annual payment of principal and interest on the district's indebtedness.

Deficit: The excess of the liabilities of a fund over its assets or excess of expenditures over revenues during an accounting period.

Deputy Chief: Chief officer serving as second in command to the fire chief and is the district's chief operating officer. Central Whidbey Island Fire & Rescue's (CWIFR's) deputy chief supervises the full-time lieutenants and volunteer captains.

District Secretary: An appointed position responsible for preparing agendas, keeping minutes, and other administrative tasks for the board of fire commissioners. This function is filled by the finance officer.

Division: The term is used to administratively categorize the operational areas of the district (e.g., administrative, operations, community risk reduction, training and recruitment, facilities, and fleet maintenance).

Emergency Medical Technician: An emergency responder certified as an emergency medical technician (EMT) at the basic, intermediate, or paramedic level.

EMT: See emergency medical technician

Engine: Fire apparatus equipped with a pump, water tank, and hose. CWIFR has two types of fire engines, Type one (structural) and Type 6 (wildland). CWIFR's Type one engines are designated by the letter "E" and have a 1250 or 1500 gallon per minute pump, 750 or 1,000-gallon water tank and a substantial complement of hose and tools. CWIFR's Type 6 engines are designated by the letter "B" (brush) have a 375 gallon per minute pump, a 300-gallon water tank, and a small complement of hose and tools.

Excess Levy: Excess levies are those that impose property taxes over and above the regular property tax levies described previously. They are in excess of the many limits placed on regular levies. Excess levies require not only voter approval; but most also require a 60 percent super majority to be approved.

Executive Staff: Senior staff comprised of the fire chief, deputy chief, and finance officer.

Exempt Employees: Employees who are exempt from the overtime provisions of the Federal Fair Labor Standards Act (FLSA). The district fire chief, deputy chief, and finance officer are exempt.

Expenditures: Decreases in net current assets. Expenditures include debt service, capital outlays, and those current operating costs which require the use of current assets.

Facilities Plan: A strategic level plan examining current facilities and their condition as well as future facilities requirements. Central Whidbey Island Fire & Rescue's (CWIFR's) facilities plan examines facilities requirements based on a 50-year service delivery timeframe.

Federal Insurance Contributions Act: A United States federal payroll (or employment) contribution directed towards both employees and employers to fund Social Security and Medicare.

FF: See firefighter.

FICA: See Federal Insurance Contributions Act.

Finance Officer: A civilian member of the district's executive staff responsible for managing the administrative division. The finance officer supervises part-time office staff.

Fire Chief: Chief executive officer of the district. The fire chief supervises the deputy chief, finance officer, training and recruitment captain, and firefighter mechanic.

Firefighter/EMT: A firefighter who is also certified as an emergency medical technician (EMT) basic. Full-time and part-time firefighters are also certified as EMT, volunteer firefighters may be certified as an EMT.

Firefighter: Emergency responder certified at least to the firefighter 1 and hazardous materials operational levels.

Fiscal Year: Any yearly accounting period, without regard to its relationship to a calendar year. The fiscal year for Central Whidbey Island Fire & Rescue begins on January 1 and ends on December 31.

Fixed Assets: Assets intended to be held or used for the long-term, such as land, buildings, and improvements other than machinery, and equipment.

FTE: Acronym for full-time equivalent. See full time equivalent.

Full Time Equivalent: A numerical expression that indicates a given position's budgeted proportion to a full-time position. A position budgeted at 40 hours per week for 12 months equals one FTE. Other frequently budgeted levels are 20 hours per week (one-half FTE) to show a position that has been split between two funds because the employee's responsibilities directly affect two funds.

Full-Time: Employees who are regularly scheduled for 40 hours per week or more are classified as full-time.

Fund Balance: Fund balance is the excess of a fund's assets of a fund over its liabilities and reserves.

Fund: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

GAAP: See generally accepted accounting principles.

GAAS: See generally accepted auditing standards.

GAGAS: See generally accepted government auditing standards.

GASB: See Governmental Accounting Standards Board.

General Fund: The general operating fund of the district. It is used to account for all financial resources except those that are required to be accounted for in other fund types.

General Obligation Bonds: Bonds for which the full faith and credit of the issuing government are pledged for payment.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

Generally Accepted Auditing Standards (GAAS): Measures of the quality of the performance of auditing procedures and the objectives to be attained through their use. They are concerned with the auditor's professional qualities and with the judgment exercised in the performance of an audit. Generally accepted auditing standards have been prescribed by (1) the American Institute of Certified Public Accountants (AICPA), and (2) the U.S. General Accounting Office (GAO) in Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (the Yellow Book).

Generally Accepted Government Auditing Standards (GAGAS): Standards established by the GAO in its publication Standards for Audit of Governmental Organizations, Programs, Activities and Functions ("Yellow Book") for the conduct and reporting of both financial and performance audits. GAGAS set forth general standards applicable to both types of audits and separate standards of field work and reporting for financial and performance audits. The GAGAS standards of field work and reporting for financial audits incorporate and build upon GAAS.

GFOA: See Government Finance Officers Association.

Government Finance Officers Association: The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by

identifying and developing financial policies and practices and promoting them through education, training and leadership.

Governmental Accounting Standards Board (GASB): The authoritative accounting and financial reporting standard-setting body for government entities.

Governmental Fund: A fund used to account for most of a government's activities, including those that are tax-supported. (also see Fund)

Grants: A contribution of assets (usually cash) by one governmental unit or other organization to be used or spent for a specified purpose, activity, or facility. Typically, these contributions are made to local governments from the State and Federal governments.

ICOM or I-COM: See Island County Emergency Communications Center.

ILA: See interlocal agreement.

Information Technology: Systems (especially computers and telecommunications) for storing, retrieving, and sending information.

Interfund Transfers: Amounts transferred from one district fund to another (i.e., general fund to capital projects fund or compensated absences fund).

Interfund: Activity between the district's funds.

Intergovernmental Revenue: Grants, entitlements, shared revenues and payment for goods and services by one government to another.

Intergovernmental: Transactions conducted between two or more governments.

Interlocal Agreement (ILA): An agreement made between local governments (such as cities, towns, and special purpose districts) in accordance with the *Revised Code of Washington (RCW) 39.34 Interlocal Cooperation Act*.

Internal Control: A plan of organization for purchasing, accounting, and other financial activities, which provides that, (1) The duties of employees are subdivided so that no single employee handles a financial action from beginning to end, (2) Proper authorizations from specific responsible officials are obtained before key steps in the processing of a transaction are completed, and (3) Records and procedures are arranged appropriately to facilitate effective control.

Island County Emergency Communications Center (ICOM): A special purpose, non-proprietary district that provides law enforcement, fire, and medical dispatch services to 10 member agencies and the public within Island County, Washington. ICOM was formed under a cooperative interlocal agreement to provide emergency dispatch services for all the law enforcement, fire, and emergency medical agencies that serve Island County (both Whidbey and Camano Islands).

IT: See Information Technology.

Levy Lid Lift: Initiative Measure No. 747 required state and local governments to limit property tax levy increases to one percent per year unless an increase greater than this limit is approved by the voters at an election. A levy lid lift is an increase in the levy rate under the provision of *Revised Code of Washington (RCW) 84.55.050* approved by the voters within the boundaries of a specific government (such as a fire protection district).

Levy Rate: The rate at which taxes, special assessments or service charges are imposed. For example, the real and personal property tax levy is the rate at which property is taxed per \$1,000 of assessed valuation. The rate is determined by calculating the ratio of the maximum amount of property tax revenue allowable under state law and the total assessed valuation within the taxing district.

Levy: (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

Levy: (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities.

Lid Lift: See levy lid lift.

Lieutenant: A company officer serving as a first level supervisor who is responsible for managing firefighters and emergency medical technicians. Volunteers and Full-Time employees may serve as lieutenants. Full-time lieutenants manage a (budget) division or major program within the operations division. Full-time lieutenants are also certified as Emergency Medical Technicians (EMT), Volunteer lieutenants may be certified as EMTs.

Limited Tax General Obligation Bond (LTGO): See non-voted debt.

Line Item: A specific item or group of similar items defined by detail in a unique account in the financial records.

Long Term Financial Plan: A financial plan that forecasts and strategizes how to meet both current and future needs of the district. CWIFR's long-term financial plan addresses a time horizon of ten years and includes all funds. This plan includes an analysis of the district's financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance and plan monitoring mechanisms.

LT: See lieutenant.

LTGO: See limited tax general obligation bond.

MDC: See mobile data computer.

MDT: See Mobile Data Tablet

Mobile Data Computer: A laptop or other computer connected to the computer aided dispatch system (CAD) through a cellular connection used to send and receive data between the dispatch center and the field.

Mobile Data Tablet: A tablet computer connected to the CAD through a cellular connection used to send and receive data between the dispatch center and the field.

Non-Exempt Employees: Employees who are covered by the overtime provisions of the Federal Fair Labor Standards Act (FLSA). All district employees except for the fire chief, deputy chief, and finance officer are non-exempt.

Non-Represented Employees: Employees for whom terms and conditions of employment are not bargained by a union are designated as non-represented. CWIFR's executive staff (fire chief, deputy chief, and finance officer) and part-time employees are non-represented.

Non-Voted Debt: Non-voted debt is issued on the authority of the board of fire commissioners. The debt service on non-voted debt is paid out of general Fire district revenues. Non-voted debt is referred to as a limited tax general obligation bond (LTGO).

Object (or Object Code): Used as expenditure classifications. This term applies to the article purchased or the service obtained. Typical object codes include personnel services (wages and salaries), contracted services (utilities, maintenance contracts, etc.) supplies and materials, and capital outlays.

OCBA: See other comprehensive basis of accounting.

Operating Budget: This budget presents a plan of current expenditures and the adopted means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

Operating Revenues: Those revenues received within the present fiscal year.

Operating Transfer: The regular, recurring transfers of cash from one fund (usually the general fund) to another, appropriated through the budget process.

Other Comprehensive Basis of Accounting (OCBA): OCBA refers to a system of accounting other than generally accepted accounting principles (GAAP). As a fire protection district, CWIFR is permitted to use the cash basis of accounting as an OCBA.

Paid Time Off (PTO): PTO is leave provided to the district's executive staff in place of annual leave, sick leave, and holiday leave.

Part-Time: Employees who are regularly scheduled for 35 hours per week or 150.5 hours per month or less are classified as part-time.

Performance Indicator: As used within the Commission on Fire Accreditation International accreditation process, performance indicators are performance measures that should be met to achieve accreditation.

The district's strategic plan and budget document also contain performance indicators not directly related to accreditation but are leading or lagging measures of district performance.

PERS: Acronym for Public Employees Retirement System. See Public Employees Retirement System.

PERS: See public employees retirement system.

Program: A broad function or area of responsibility of government services. It is a basic organizational unit of government that is composed of a group of specific activities and operations directed at attaining a common purpose or goal.

Proposed Budget: The proposed budget is an estimate of the future costs, revenues and resources submitted by the fire chief to the board of fire commissioners.

PTO: See paid time off.

Public Employees Retirement System: Retirement system provided for all regular district employees, other than law enforcement and fire fighter personnel, by the State of Washington.

Represented Employees: Employees for whom terms and conditions of employment are bargained by a union are designated as represented. Central Whidbey Island Fire & Rescue's (CWIR's) full-time firefighters, lieutenants, and captain are represented by Local 4299 International Association of Firefighters (IAFF).

Rescue: A fire apparatus designed to carry a substantial complement of rescue equipment. CWIFR's rescue primarily serves as a breathing air support unit (refilling the air cylinders used with self-contained breathing apparatus) and as a lighting plant (electrical generator and lights).

Reserve Apparatus: Apparatus placed in service by the district for use when other apparatus is being maintained or repaired.

Reserve Fund: A fund used to segregate a portion of equity as legally set aside for a specific future use.

Reserve: 1) A segregation of assets to provide for future use toward a specified purpose. 2) Apparatus maintained by the district for use when other apparatus is being maintained or repaired.

Revenue Estimate: A formal estimate of how much revenue will be earned from a specific source for some future period; typically, one year.

Revenues: Monies received or anticipated to be received during the year to finance district services. It includes such items as property taxes, interest income, and miscellaneous revenue.

Salaries and Wages: Amounts paid for services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime and seasonal help.

SCBA: See self-contained breathing apparatus.

Self-Contained Breathing Apparatus: Respiratory protective equipment used to provide self-contained air when working in hazardous atmospheres such as those encountered in fires and hazardous materials incidents.

Strategic Plan: A plan that defines organizational strategy, or direction, and provides a basis for making decisions on allocating its resources to pursue this strategy, including its capital and people.

Target Hazards: Occupancies or locations that present a significant or unusual risk and/or which may require a large or specialized resource commitment in the event of an emergency incident are designated as target hazards.

Taxes: Compulsory charges levied by a government to finance services performed for the common benefit. This term does not include specific charges made against persons or property for current or permanent benefits such as special assessments, or charges for services rendered only to those who pay.

Transfers: Internal movements of revenue and expenses among funds in the budget to provide needed sources of funding for expenses incurred on behalf of another fund.

Type Five or Six Wildland Engine: A small fire engine designed for vegetation (brush) fires meeting National Incident Management System (NIMS) performance and equipment requirements for these types.

Type One Engine: A fire engine designed for structural firefighting and other types of response activity meeting National Incident Management System (NIMS) performance and equipment requirements for this type.

Type One Water Tender: A fire apparatus designed to provide water supply in areas without fire hydrants meeting National Incident Management System (NIMS) performance and equipment requirements for this type.

Unappropriated Fund Balance: Where the fund balance at the close of the preceding year is not included in the annual budget, this term designates that portion of the current fiscal year's estimated revenues, which has not been appropriated. Where the fund balance of the preceding year is included, this term designates the estimated fund balance at the end of the fiscal period.

Unit Designation: The unit designation (e.g., E51) identifies the nature of the unit (e.g., engine, water tender, command unit, support vehicle) and the station assignment (e.g., Station 51) or specific unit (e.g., C501 is the fire chief).

Unlimited Tax General Obligation Bond (UTGO): See voted debt.

UTGO: See unlimited tax general obligation bond

VFIS: See Volunteer Fireman's Insurance Services, Inc.

Volunteer Fireman's Insurance Services, Inc.: A company providing insurance services for volunteer firefighters.

Volunteer: Members who volunteer their services. Volunteer members are paid a stipend that is dependent on their rank and role, but not on the number of hours of service provided (if they meet the district's minimum activity standard).

Volunteer Incentive Program: Volunteers receive an annual stipend based on their seniority and activity level above the minimum required to receive a quarterly stipend.

Volunteer Quarterly Stipend: Volunteers who meet minimum activity requirements for service, training, and other activity are paid a quarterly stipend based on their rank, role, and qualifications as specified in Standard Operating Guideline 1.2.5 Volunteer Personnel (CWIFR, 2017p).

Voted Debt: Voted debt is authorized by the district's voters through an election. The debt service on voted debt is paid from excess property tax levies under *Revised Code of Washington RCW 84.52.056*. Voter approved debt is referred to as an unlimited tax general obligation bond (UTGO).

Water Tender: Mobile water supply apparatus with a pump, large water tank and hose. Central Whidbey Island Fire & Rescue's (CWIFR's) water tenders are equipped with a 750 gallon per minute pump and a 2,500-gallon water tank.

Whidbey Island Public Hospital District: Hospital district on Whidbey Island providing a range of medical services including a level III trauma center, and advanced life support (ALS) ambulance service. The hospital district does business as WhidbeyHealth.

WhidbeyHealth: See Whidbey Island Public Hospital District.

Working Capital: The year-end balance of current assets minus current liabilities.